密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 69 | Shanghai, China, Saturday, July 21, 1934 | Number 8

THE CHINA WEEKLY REVIEW

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Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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THE NEXT MOVE--DEBT REFUNDING AND AN ECONOMIC "BLOC"

CHINA owes Japan in round figures about 900,000,000 yen, which is equivalent at present rates of exchange to about $800,000,000 in Chinese silver or U. S. $300,000,000. This figure represents defaulted principal and interest on loans of various sums which the old Peking government, or groups of Chinese military adventurers calling themselves the government, borrowed in Japan at various times over a considerable number of years. The largest single group in this collection is known as the Nishihara loans which the Japanese advanced to the so-called Anfu Clique which was in control of Peking during 1918 and 1919. It is said that the present National Government has no record of these loan contracts, amounting anywhere from $350,000,000 to $500,000,000, hence it will be necessary for China to take Japan's word about them. The money was used either in a futile civil war against the Kuomintang government in the South, or went into the pockets of members of the Anfu clique, who in turn deposited it in the Japanese banks or invested it in Japanese concessions where they later fled for refuge when an outraged Chinese public drove them out of office.

According to a dispatch from Shanghai published in the *Osaka Mainichi* on July 11, the Japanese Consul-General, Yakichiro Suma, stationed at Nanking has notified the Tokyo Foreign Office that China allegedly is now ready to open negotiations with Japan on the question of refunding and legalizing the old defaulted loans running back over a period of sixteen years. The dispatch by the Japanese correspondent alleged that Nanking had decided to "turn over a new leaf" following the inauguration of the new tariff law and enter into negotiations with her creditors. The dispatch stated further that China's alleged agreement to open negotiations with Japan on the defaulted loans constituted another success for Foreign Minister Hirota's "practical" diplomacy. In other words, the loan issue is the only unsettled problem, out of three which previously existed in the relations of the two countries. The other two were the Sino-Manchukuo through train service and the revision of the Chinese Maritime Tariff, "whereby Japan hopes to better her econo-

mic relations with China," to quote the words of the Japanese correspondent. The dispatch stated further that Foreign Minister Hirota realizes that the loan issue is likely to be the most difficult to settle, "but since China has agreed in principle to Japan's overtures. . . .it means that she is meeting the Japanese advance at least half way."

It probably was more than a coincidence that the *Japan Advertiser* (Tokyo) published a report on the same day, July 11, that the Tokyo Foreign Office has now formulated its plan for the creation of a "Japan-China-Manchukuo Economic Bloc," the object of which is to place Japan actively in charge of the rehabilitation of China. According to the plan which was worked out by Kazue Kuwajima, director of the East Asia bureau of the Foreign Office, Japan, China and Manchukuo will each appoint committees composed of government officials and civilians who will jointly "compose the vehicle through which the bloc will eventually operate." The large Japanese interest concerned in China financing such as the Oriental Development Corporation, China-Japan Industrial Company, Sino-Japanese Exchange Bank and other trading and financial syndicates will act as a unit. All political and commercial loans which Japan has advanced to China will be "rationalized," and moneys recovered from them will be re-invested in new enterprises or improvement of existing ones. A careful survey of existing railways, mines, electrical systems and concessions in China will be made and in case of necessity they will be placed in the hands of the new organization. The report stated that "in future Japan shall not obtain concessions from local officials, but only from the Central authorities."

Just how much of the foregoing represents fact and how much represents ambitious Japanese plans for the future political, economic and financial subjugation of China, cannot be stated. But Bruce C. Hopper, Assistant Professor of Government at Harvard University, who recently made a tour of investigation in Japan, China and Manchuria stated in a recent interview published in the *China Press* that Japan's fight for the recognition of her "special rights" in China *must result in the establishment by treaty of a Japanese High Commissioner in Nanking who will have extraordinary political and financial powers, including that of "fighting boycotts against Japanese goods."*

WHAT EDITOR CLARKE DIDN'T SEE IN MANCHURIA

FRANCIS W. CLARKE, who calls himself an assistant to the editor of the Atlanta (Georgia) *Constitution*, after a two-weeks' tour of investigation in Manchukuo, returned to Tokyo and on July 10 told the *Japan Advertiser* that he was amazed at the progress which Japan was making in China's former northeastern provinces. He said that the "efficiently functioning government at Hsinking was remaking the former land of the Changs into a modern nation." Continuing, he told about the "wonderful schools, roads, monetary system, industrial and agricultural development, building construction, marvelous city-planning and a host of other things which did not exist before the experiment in statecraft in Manchukuo can be called a wonder of the age. . I have great confidence in the Japanese leaders. they represent a courageous, intelligent and determined leadership which is fully capable of educating the minds of the masses toward an understanding and appreciation of the new government. . "

Space is not available for reprinting the column-long interview which appeared in the *Advertiser*, but Mr. Clarke rather spoiled his story by referring to the fact that he had toured Manchuria previously, about five years ago as a member of a touring party which traveled under the auspices of the Carnegie Peace Foundation. If we remember correctly that touring adventure which was participated in by a number of American journalists ended in a scandal, for the *United Press* dug up the fact that all the expenses for the jaunt had been defrayed by the Japanese government-controlled South Manchuria Railway and that each member of the party not only received a free ticket across the Pacific and through the Orient, paid for by the Japanese, but also received a check for some $2,000 for incidental expences. When these facts were brought out it naturally resulted in serious criticism of the Carnegie Peace Foundation, a supposedly reputable organization, for its action in fathering a clever Japanese propaganda stunt. What the Carnegie peace promoters ever did about the matter is not known, but we do know that Editor Clarke is back in the Orient, is again traveling on Japanese ships and railways exclusively, and is again bubbling over with praise for the Japanese military rulers of Manchukuo. Also, he was most favorably impressed with "Emperor" Pu Yi, whom Clarke designated as "no mere puppet." As a matter of fact there appeared to be only one slight cloud in Clarke's mind regarding the future of Manchukuo. He said that many of the developments in Manchukuo "are not being enjoyed by the masses," but expressed the hope that these advantages "will eventually filter down and serve the welfare of the people."

It was an interesting coincidence that while Editor Clarke was being piloted about Manchuria by propagandists employed by the South Manchuria Railway and the Japanese army, that two other reports were brought out of Manchuria by observers much more competent to testify as to real conditions. One report, based on the testimony of an American woman missionary who spent ten years in Kirin province, appears elsewhere in this issue of *The Review*. It tells of the terrible opium and narcotic scurge which the Japanese warlords have introduced into Manchukuo for the double purpose of financing their rule and at the same time anesthetizing the people into submission. The missionary woman stated that under the administration of the Changs there were only two or three opium dens in the town where she was stationed and opium smoking was restricted to a comparatively few persons who could afford it. Now, however, under the Japanese, there

are 47 opium and narcotic dens in the town and through intensive publicity, combined with low prices, every peasant is being taught the use of the drug. In Jehol province, the Japanese have doubled the acreage for opium-poppy cultivation, the obvious purpose being to flood both north China and Mongolia with the drug. Editor Clarke apparently saw none of this!

Also, Editor Clarke apparently did not hear anything, while he was in Hsinking, about the increasing "banditry" situation which is threatening a complete breakdown of Japanese military rule. But while Clarke was in Hsinking, observing the fine new buildings and roads which the Japanese are constructing, a foreign resident of the same city was compiling a report about actual conditions throughout the country which told an entirely different story, an authentic story dealing with banditry, poverty and pestilence, which has followed in the wake of the Imperial Japanese Army throughout the four Chinese provinces. This report, since published, was not based on statements by Chinese, but was supported by evidence compiled from the Japanese press. If Editor Clarke had read the English language newspapers published in Japan and at Dairen, he would have observed this same evidence, statements by Japanese journalists and officials, testifying to the fact that after practically three years of military activities and the expenditure of several hundreds of millions of Japanese yen, there is only an armed peace along some of the railways and in the Japanese-protected cities while almost complete chaos reigns everywhere else. As for the fine schools which Clarke was shown, they only exist in Hsinking and within the S. M. R. zone for the education of children of employes of the railway and other Japanese activities. The fine educational program which the Japanese announced they intended to introduce into Manchuria has never been put into effect and probably will not be so long as the Japanese are in control, for education and opium do not go together. The large Northeastern University at Mukden which Marshal Chang Hsueh-liang constructed from the proceeds of his father's estate has been closed since the day following the Japanese occupation in the fall of 1931 and the thousands of Chinese students previously in attendance, have been scattered to the far winds. In the concluding part of Clarke's interview he said something about syndicating his articles to various papers in the United States. If the content of the articles is similar to his interview published in the Tokyo paper, the American papers which print his reports should charge advertising rates for them and send the bill to the South Manchuria Railway, or possibly to the Military General Staff in Tokyo which is now running the Manchurian show.

Will Rogers Will Make Another Trip to Far East

Will Rogers, celebrated American humorist will sail from San Pedro July 28 accompanied by his wife and two sons on a visit which will include Honolulu, Tokyo and Shanghai, then proceeding to Europe by way of Siberia. He plans to visit various countries in Europe.

"ORIENTAL AFFAIRS" BAN AND THE BRITISH PROTEST

THERE is a curious element involved in the Chinese postal ban on the magazine *Oriental Affairs* which apparently has escaped the attention of everybody, despite voluminous correspondence on the subject from all points of the compass which has appeared in the local press. This element involves the actual ownership of the magazine. The title page of the current, or July issue, states that *Oriental Affairs* is a "monthly review, edited by H. G. W. Woodhead, C. B. E. Nothing whatever is said about the actual owner or publisher of the journal, except that the office is located at 21 Avenue Edward VII, which is the address of the *Shanghai Evening Post*, and the *Mercury Press*, both of which are American properties. On Page 10 of the same issue however, there is a small advertisement referring to subscription rates with the statement, "Copies of the first six issues can still be obtained from the publishers, *The Mercury Press*. Based on this evidence, the magazine *Oriental Affairs* is not the property of H. G. W. Woodhead, which would make it a British publication, but is the property of the publishers, *The Mercury Press*, which is an American concern. The entire make-up of the paper, being an imitation typographically of the *New Outlook*, is also American rather than British. In view of this situation, one cannot escape the conclusion, which is not without its humorous aspects, that the British diplomatic authorities as well as certain members of the British House of Commons, have permitted themselves to become involved in a controversy which has little or no direct connection with British interests. It is true that Mr. Woodhead, C. B. E., is British, but the publication which he edits and which the Chinese have barred from transmission through the mail, is entirely American-owned. While Woodhead's ability to express himself is somewhat hampered by the postal ban, the real damage, if any, is suffered by the *Mercury Press*, with which the British have no possible concern from the standpoint of national interest. In view of this situation it would seem that if any protest is to be lodged over the postal ban, it should be by the properietors of the *Mercury Press*, through the American Legation. But here again the situation would not be entirely clear because the announced reason for the postal ban is not the magazine itself, but the writings of H. G. W. Woodhead, C. B. E. who is British and thus not subject to American exterritorial protection. We admit the situation grows more complicated as we delve into it, but in order to solve the exterritorial puzzle, it is suggested that the British and American governments get together—something which they have not done on any other issue since 1931—and lodge a joint protest! It is possible that with this humble beginning of British-American unity, the cooperation might ultimately be expanded into the fields of arms-limitation, support of the Nine-Power Treaty, the Kellogg Anti-War Pact and even the Covenant of the League of Nations. Should this come about the Chinese authorities

might be willing to forget their animosities against H. G. W. Woodhead, C. B. E., for his pin-pricks would fade into nothingness in the light of far more important developments. To let our imagination go still further despite the warm weather, suppose that this British-American cooperation which started with Woodhead, ultimately resulted in forcing the Japanese to observe the treaties, withdraw their troops and restore Manchuria to Chinese control, then Woodhead could also fade out of the picture because his support of Japanese imperialism would then have become entirely futile and of no possible benefit to himself, the Japanese, or anybody else!

REUTERS, RENGO AND U.P. ON THE MUKDEN INCIDENT

ON July 17 the Shanghai newspapers published a report from Mukden which stated that "an unidentified man in uniform, brandishing a bayonet, after tearing the name-plate off the front of the American Consulate-General, entered the building and attacked the Vice-Consul Monroe Hall." Mr. Hall threw a chair at the intruder and then chased him out of the building and over the compound wall. The incident was reported to the Japanese Consulate and according to the report Japanese gendarmes and Manchukuo police were cooperating in seeking the intruder. The report was sent to the Shanghai newspapers by *Reuters* srvice and was complete in every respect except that it failed to give the nationality of the man who had broken into the American Consulate-General, an obviously important element. There might have been some excuse for omitting the nationality of the culprit in the original report, but on July 18 *Reuters* reported that the intruder had been captured and described him as a "farmer's lad, aged 19, and a member of the Youth Training Organization, which in some way resembles the Boy Scouts." Aside from the fact that the Japanese authorities claimed the youth was "demented," the *Reuters* report again omitted the important element of the boy's nationality. However, the *United Press* cleared up the nationlity element by stating definitely in its report in the *North-China Daily News* (July 18) that the youth "was a Japanese named Takuma Tsuchiyama, 19-year-old native of Kumamoto prefecture of Japan." As for the official Japanese *Rengo* service which also supplies quite voluminous reports to the Shanghai newspapers dealing with developments in Manchukuo, it contained not one single word about the incident at all. Thus, so far as this particular item was concerned the Far Eastern news agency record stands as follows: *Reuters* covered the news but omitted the important element of nationality of the culprit. The *United Press* did not report the original attack on July 17, but in reporting the arrest on the following day gave all the facts including the important element of nationality. The official Japanese *Rengo* service ignored the attack on the American consulate altogether.

QUESTION OF PIRACY PREVENTION AND SHIP INSPECTION

THE recent piracy of a British ship on the Shantung coast, resulting in the kidnapping of a number of foreign and Chinese passengers, has been responsible for demands from certain foreign quarters that the Chinese Government should invite the foreign powers to undertake the policing of China's coastal waters. The Chinese Government, if it has any regard for the small amount of sovereignty which it still possesses, obviously could not agree to any such proposal. Futhermore, there is little likelihood that any power, with the exception of Japan, would accept such an invitation from China, because of the expence and hazards involved. Practically all of the naval powers which have ships to spare from their home waters, have always kept a few boats in Chinese ports, but this is an entirely different matter from undertaking the patrol of the entire Chinese coast. In view of this situation and of the actualities of the pirate menace which is a danger to everybody, another suggestion has been made, which on the face of things, might be more workable and satisfactory all around. This suggestion is that the Chinese police and military authorities be permitted to inspect all foreign merchantmen operating in Chinese coastal waters, in exchange for which the foreigners might then hold China responsible for ensuing piracies.

Under ordinary circumstances the inspection of foreign merchant vessels in Chinese waters has been carried out by Chinese Customs authorities, while under special conditions, this duty has been shared by the local Chinese military and police authorities, the latter acting with the consent of the local foreign consular authorities concerned. This customary procedure, however, has not been always practicable where there are no foreign consular representatives. The masters of such ships have invariably resisted inspection in cases where Chinese authorities have not been able to procure the usual consular permission due to their absence, even though the Chinese authorities are in possession of confidential information regarding the presence of dangerous elements or drugs on board. The protest has always been that for the Chinese authorities to search a foreign merchantman without the agreement of the consular representatives concerned is contrary to the established treaty procedure. In certain cases, such boarding parties have actually been detained and in certain other cases threats of mounting foreign naval guards have been used. In view of such obstacles, the Chinese authorities desiring to avoid unnescessary controversies, have not been able to institute any effective system of inspection despite of the fact that they may be in possession of definite information concerning the carriage of drugs or other prohibited articles or of urgent reports concerning the presences of lawless elements. Under such circumstances the Chinese authorities have no means to realise their desire to safeguard travelling. Nevertheless, whenever cases of piracy happen the foreigners have

never hesitated in blaming the Chinese authorities for failing to provide the necessary protection. It never occurred to them that in refusing to co-operate with the Chinese authorities in their well-intentioned searches they have seriously hampered the establishment of a preventive system which is designed to protect foreign as well as Chinese trade. The fact that pirates have mainly operated from lairs on the coast and have in most cases boarded ships in disguise as ordinary passengers from the various ports of call demonstrates the very real necessity that precautionary measures must be taken from the shore. Ships in motion have rarely been attacked from without so that if steps were taken to prevent the boarding of lawless elements beforehand, a sound system of piracy prevention would have been made possible. The customary precedure of procuring foreign consular permission before any foreign merchant vessel can be inspected is at best only a cumbersome usage. As a matter of fact, the delays and inconveniences involved in this method—not to say its impracticableness in the absence of foreign consular representatives—are essentially a set-back to the best interests of foreign as well as Chinese trade. It seems, therefore, that a very small measure of foreign cooperation along the lines as indicated above would help to bring about an effective system of piracy prevention. The benefits accruing thereform would overwhelmingly out-balance the mere observance of a form which, if conceded, would involve neither any loss of prestige nor any harm to the interests of the shipping concours.

Americans Ask Japan to State Her Real Objectives

JAPAN'S latest effort to improve her relations with the United States apparently has had the unexpected result of causing the Americans to request Japan to state her real objectives in the Far East. This is the conclusion gained from an inspection of extensive reports now appearing in the Japanese newspapers and magazines based upon the results of Prince Fumimaro Konoe's recent trip to the United States. Prince Konoe went to America several months ago and after spending considerable time in Washington continued his investigations into the realm of Japanese-American relations in New York and Boston. He is now on his way back to Japan, having been forced to shorten his visit and return home because of the critical political situation now prevailing in the Island Empire.

On July 3 the Japanese newspapers published two reports of considerable significance bearing on Japanese-American relations which were a direct result of Prince Konoe's trip. One appeared in the *Tokyo Asahi* and the other in the *Osaka Mainichi*. The first was an article written by Prince Konoe himself, while the second was a report of a conference in New York which was participated in by Konoe and a number of other Japanese and a group of American newspapermen interested in Far Eastern developments. As to Prince Konoe's position in Japanese affairs, he is president of the House of Peers and prior to the recent change in the Tokyo government, he was mentioned as a candidate for the premiership in succession to Viscount Saito. While he was not appointed to the premiership, following the fall of the Saito cabinet, the political situation was regarded as sufficiently critical for the government to order his immediate return to Japan.

In neither of the articles is there any extended mention of Konoe's visit to Washington where he found the atmosphere "somewhat restrained," as affecting Japanese relations. But while in the U. S. Capital he interviewed President Roosevelt and Secretary of State Cordell Hull and other officials of the government. It was about this time that the Japanese Ambassador Hiroshi Saito proposed that Japan and the United States should sign a non-aggression pact, a proposal which the United States declined to consider on the ground that the Nine-Power Treaty, already in existence, provides sufficient machinery for the solution of Far Eastern problems. Senator Pittman, chairman of the Foreign Relations Committee, according to reports in the Washington newspapers went even further and told Ambassador Saito that it was useless to talk about negotiating new treaties when the old ones were not being observed. As a result of the "restrained" atmosphere in Washington, Prince Konoe proceeded to New York and Boston where, according to his article, he discussed Japanese-American relations with leading persons in commercial, scientific and writing circles. Here the atmosphere was "less restrained" than he had found it to be in Washington.

In the introduction to his article Konoe stated that the Americans generally were "somewhat puzzled" by various trends in Japan, particularly the widespread belief that politics in Japan are in the hands of the army and navy. The Americans also were somewhat mystified at Japan's constant efforts to improve her relations with the United States without making any specific proposals. As to the general trend of Japanese politics, he said that a number of extremists in America appeared to be under the impression that the political situation in Japan at present is quite similar to conditions which prevailed in Germany before the World War, in consequence of which Prince Konoe was urged to warn his people "not to become a second Germany." The Americans, according to Konoe, still hold to the belief that the organization for world peace, formed immediately after the war, and the principles for its maintenance adopted since, still exist intact. Therefore, in view of Japan's activities since 1931, the impression prevails that the Island Empire, or at least the warlords of that country, have been trying to destory not only the world peace organization, but the principles upon which it exists. Many of the persons whom Konoe interviewed expressed

sympathy for Japan because of her close proximity to China and Russia, but many believed that Japan had taken advantage of political and economic complications elsewhere in the world to take aggressive action against China. Generally there was complaint at the "lack of transparency" in Japan's Far Eastern policies, hence the urgent need for explanation on Japan's part as to her real motives and objectives.

In Prince Konoe's opinion there is a wide gap between the so-called fundamentals of peace as conceived in America and Europe and the present claims which Japan is making. He expressed the opinion that there is not now any desire to apply pressure to Japan, particularly since the impotency of the League has been exposed and also because existing conditions argue against positive movements by the Powers. Also, these was a feeling that the United States should not "stand out in front against Japan," due in certain measure to the feeling that some of the European Powers have larger interests at stake in this section of the world than are possessed by America. He regarded it as advantageous to Japan that certain thinkers in the United States were coming to the opinion that principles in which they always have believed, might not fit the current situation. However, there was no hurrying on the part of the Americans to abandon their principles, and several people told the Japanese emissary that if Japan had any new principles to propose she should make them public without further delay. So long as Japan does not explain her principles, the Americans have no alternative but to hold to their old theories and unless matters are made clear by Japan, the Americans can see no reason for negotiating a new treaty such as a non-aggression pact. In this connection Prince Konoe stated, "According to the views of this school of thought, the onus of pointing out the errors in the old theories lies with Japan and if there are any errors, it is up to Japan to expound her doctrine to replace the old theories." Furthermore, he found the Americans unable to understand why Japan should object to the actions of the Powers in extending economic and technical assistance to China, as the economic policies followed by the Nanking government were generally approved by public opinion in America. At this point Prince Konoe attempted to explain that any assistance rendered to China would be likely to aggravate anti-Japanese elements.

In concluding his discussion of the American attitude toward Japan, Konoe declared that naval experts in the United States "hold that Japan should be able to maintain her supremacy in the Far East under the existing naval ratio." With reference to the relationship between arms limitation and political problems, he said that some of the persons with whom he discussed the issue did not hold that the two issues were inseparable, but it generally was held that stabilization of political situations should be made one of the conditions for any agreement on arms limitation.

Space is not available for a complete summary of the 3-column verbatim report on Prince Konoe's conference with representatives of leading press associations and newspapers in New York, which appeared in the *Osaka Mainichi*, but some of the subjects touched upon were of considerable significance. For example, Prince Konoe remarked that Japan was extremely sensitive about mixing political issues with the naval discussions. "Would America agree to a separation of the two questions?" One of the correspondents, Robert Bender of the *United Press*, in reply to this question expressed the view that Americans generally were not seriously concerned with Far Eastern politics, hence there was a possibility that Far Eastern political issues might be separated from the disarmament discussions. But J. A. Bisson, representative of the Foreign Policy Association, interrupted with the declaration, "From the American point of view the Nine-Power Treaty and pacific fortifications pact are inseparable from the naval ratio issue, and I firmly believe in the inseparability of the two questions." The subject was then changed to the disarmament question and the threatened naval race, in which connection Charles Honce, representative of the *Associated Press*, inquired: "What is the driving force behind Japan's Far Eastern policy? Is it the Diet or the military authorities?" This involved considerable explanation on the part of Prince Konoe regarding the political situation in Japan. He stated that there is no similitary between the present situation in Japan and the pre-war German war office, but admitted that the army, which is made up of recruits from the farming classes, harbored a grudge against the financial magnates who dominate the political parties. When the discussion on this point threatened to extend into dangerous channels, Prof. Masamichi Royama of the Tokyo Imperial University, who was present at the conference declared that revolutionary intrigue "had happily disappeared from Japan," following which remark he suggested that the discussion be turned to other matters. Joseph Barnes of the Pacific Relations Association stated that present Japanese policy toward Mongolia would, in his opinion, cause Russia to "do something drastic." Prince Konoe then wanted to know what was the true motive behind America's recognition of the Soviets. Wilbur Forrest, representative of the New York *Herald-Tribune* declared that America will continue to stand pat on the Open Door and equality of opportunity principle in China, and also stated that present American policy with respect to the Philippines might be changed any day. Prince Konoe then said that Japan "welcomes any measure that will promote the welfare of the Filipinos." Louis Wilie of the *New York Times* asked Prince Konoe to indicate "actual examples" where the United States had done anything to merit Japan's suspicions. Prof. Royama, in reply to this question, stated that in the past three years the American government and some Americans had given Japan the impression that they are blocking Japan's moves. To this Mr. Wilie replied, "That is because Japan's actions

seemed as though they were downright infringements of treaty obligations." Mr. Bisson of the Foreign Policy Association then declared, "Mr. Wilie has touched the root of the American-Japanese question. . From the American standpoint, the Washington Treaty is considered fair and just, and it is difficult to approve of Japan's action in Manchuria. . .Nor is America satisfied with respect to Japan's activities in connection with the Open Door in China."

In view of these developments while Prince Konoe was in the United States, his early return to Japan and ensuing report on the status of American opinion on Far Eastern questions are awaited with considerable interest. Reports in the *Mainichi* pertaining to the return of Ambassador Saito from Washington, indicated that he had already reported to the Tokyo Foreign Office that the United States was opposed to granting Japan naval parity and also was opposed to the separation of political and treaty discussions from the armament negotiations. The *Mainichi* correspondent, apparently expressing the views of the Tokyo Foreign Office, declared that the Nine-Power Treaty, concluded at the Washington Conference in 1922, "had been rsponsible for disorders in China and the boycott of Japanese goods which had caused Japan to sustain losses amounting to Yen 700,000,000 and when these losses were added to those suffered by Japan because of the Manchurian and Shanghai wars, the total would exceed Yen 2,000,000,000 Japan incurred these huge losses because Japanese 'rights' in China had been restrained by the Nine-power Treaty." In further reference to Ambassador Saito's return, the *Mainichi* on June 27 said that Saito was bringing back with him the views of President Roosevelt on three important issues: (1) Conclusion of a Japanese-American non-agression pact; (2) Furtherance of non-conflicting trade relations of the two countries; (3) Disposal of the Manchukuo recongnition and Philippine independence issues.

Also of interest in connection with the foregoing were two recent reports from London, one quoting Dr. Sao-ke Alfred Sze, Chinese Minister to the United Stated (now visiting in London) who declared that despite America's preoccupation with her domestic problems, the Americans "are watching the situation in the Far East very carefully and are taking an extremely serious view of its possibilities." Dr. Sze also stated that it was impossible to exclude political questions of the Pacific from the 1935 armament conference and that the question of disarmament could no more be discussed apart from politics in 1935 than had been the case at the Washington Conference in 1921-1922. The other London report stated that Quo Tai-chi, Chinese Minister to Great Britain also had discussed the armament and auxiliary issues with Norman Davis, the American Ambassador-at-large, and the American delegate had expressed himself as "quite happy" over the trend of his conversations with Great Britain on the various matters concerned with the 1935 armament conference.

Koo Says Present Crisis Most Serious in Three Centuries

Dr. Wellington Koo, Minister to Paris, was received by President Wang Ching-wei (concurrently Minister of Foreign Affairs) July 12 when he reported on the international situation. "China is facing a crisis without parallel in the last two or three centuries," Minister Koo declared in a press interview. "Our friends abroad are entertaining the hope that we will make a supreme effort to overcome the crisis without further delay. In view of our economic and material backwardness, we must seek strength in unity."

Although it had been announced that Dr. Koo would proceed to Kuling to see General Chiang Kai-shek, a *Kuo Min* message from Nanking stated that owing to heat prostration he had postponed the trip and had instead proceeded to his native home at Kaiting and that he would later proceed to Tsingtao.

The Tientsin *Ta Kung Pao* in an editorial said: "The present national crisis in China may induce a mood of pessimism in Dr. Koo, as it is extremely difficult for the diplomats of a weak country to show their ability. But we urge Dr. Koo not to feel discouraged but to continue his fine work for China." In mentioning that a dinner had been given by the Government in his honor at Nanking, the *Ta Kung Pao* commented:—"To give a testimonial dinner for Dr. Koo is not so important as to take him into the Government's confidence regarding its foreign policy."

The Executive Yuan July 10 decided to open a Chinese Consulate at Cairo, capital of Egypt.

Victor Hoo, Minister to Switzerland, arrived in Peiping July 10 to attend the funeral of his father, the late Hoo Wei-teh, one-time Minister to Finance.

The Chinese Minister in Madrid, Dr. Tsien Tai, and Mrs. Tsien Tai, arrived in the Spanish capital last week after nearly six months' absence in China.

Lin Shih, the newly appointed Chinese Consul-General in Patis, departed for France July 14 by the French mail liner *Felix Roussel*. Mr. Lin is a native of Fukien and has had a long political career in China. The last post he held under the National Government was Director of the Postal Administration Department of the Ministry of Communications.

K. L. Kwong, formerly Chinese Consul-General at Manila, and now Counsellor of the Ministry of Foreign Affairs, has been appointed Chinese Consul-General at San Francisco.

Madame Chang Hsueh-liang, who has been visiting her mother-in-law in Peiping during the last few weeks, has returned to Hankow to rejoin her family. She gave a dinner for more than 50 persons in the Directors' Office of the Peihai Park in Peiping July 10. Those present included the wives of Generals Wan Fu-lin, Shang Chen, Wang Shih-chang and Pao Yu-lin.

U.S.A. Led World in Exports to China in 1933

Of $1,358,978,165 worth of merchandise imported to China from abroad last year, $297,468,131 of the total, or 21.86 per cent, was imported from the United States of America, which led all other countries in the value of merchandise imported by China, according to the report on The Trade of China, 1933, issued recently by the statistical department of the local Inspectorate General of Customs. The United States was second as the country to which the most merchandise was exported from China during the year, figured at $113,146,444, as compared with China's total exoprts abroad amounting to $612,292,722. The United States received 18.48 per cent of the total exports of China for the year 1933. A comparison of the total valuations of merchandise imported to China from various countries abroad reveals that Great Britain was second with the value of her imports set at $154,040,856, or 11.33 per cent of the total. Imports from other countries were valued as follows: Japan, $132,349,220, 9.72%; Germany, $108,015,828, 7.95%; Australia, $85,730,581, 6.32%; Netherlands India, $79,476, 529, 5.84%, and French Indo-China, $75,525,956, 5.58%.

The valuation of merchandise exported from China to other countries were ranked as follows by the Customs report: Hongkong, $120,954,464, 19.75%; United States, $113,146,444, 18.48%; Japan, $95,806,460, 15.65%; Great Britain, $48,765,304, 7.96%; France, $32,216,893, 5.26%; Kwantung Leased Territory, $27,619,-724, 4.51%, and British India, $24,480,163, 4.00%.

Compared with the 1932 figures, those for 1933 indicate that Japan fell from second to third place in the value of merchandise imported to China, and from first to third place in the value of merchandise imported to China, and from first to third place in the Chinese merchandise exported to her from China.

Exports to U.S. from Shanghai Increase During Last Six Months

Exports from Shanghai to the United States during the first six months of this year increased more than two million U. S. dollars, as compared with the value of exports for the corresponding period in 1933, according to the declared export returns for Shanghai for the first six months of 1933 and 1934, issued during the week by the local American Consulate-General.

Jehol One Year Later---On the Frontiers of Paradise

BY TUNG SHIN-YUEN

MORE poppies are gleaming on the hillsides of Jehol this year than ever before. The money that used to go into the coffers of Tang Yu-lin now goes to the Japanese conquerors. The Japanese militarist picked up where the Chinese militarist left off and the average Chinese peasant finds little to choose between his rulers, old and new. The Japanese flags fly higher and there are more of them, but they fly no nearer paradise than Tang's Kuomintang banners. The Jehol peasant regards them with the same passive hostility.

Like the Children of Israel of Biblical times, the Chinese peasants in Jehol are making bricks for the new barracks now being constructed for the Japanese conquerors of the country. The picture was taken in Chengteh, capital of Jehol.

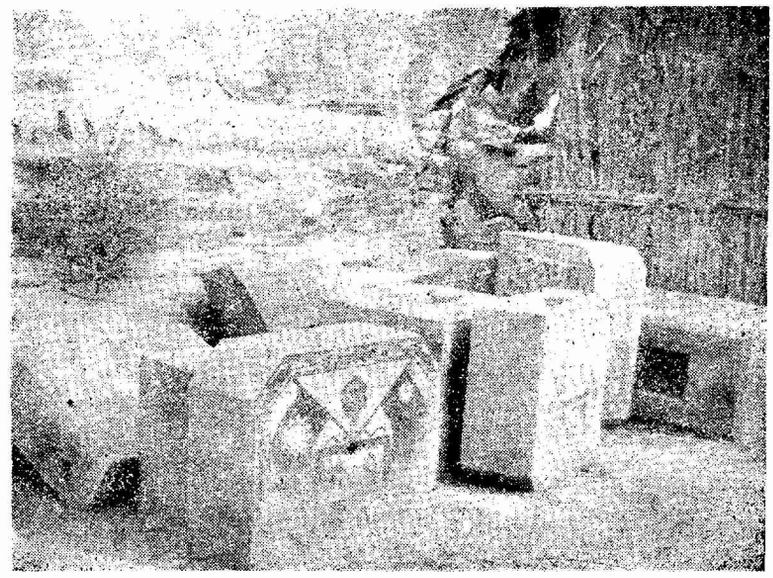
If there is any difference at all for the common man in Jehol it is the fact that opium, the old scourge, and morphine and heroin, the new scourge, is being made more accessible to him than it ever was before. Proceeding vigorously and aggressively with their plans for sharpening the Jehol spearhead of their westward and northward drive, the Japanese are evidently determined to spread the use of paradisiac narcotics and make money out of it at the same time. Obviously, the effect of these drugs on the epople of "Manchukuo" is their last concern.

Scores of stalls in the streets of Chengteh offer pipes, lamps and other paraphernalia for sale. On almost every street the passerby is greeted with shopfront signs—"Opium Sold Here"—and if he can't read, the fumes offer a sufficiently unmistakable invitation. And out in the country for endless miles thousands of acres are shinning white with deceptively beautiful flowers bursting with the year's new crop—estimated by Chengteh residents ar the largest ever produced in Jehol.

In an official statement issued by the Manchukuo government in 1933, it was declared that the opium monopoly expected a revenue of $3,000,000 (Manchukuo yuan) from Jehol's opium crop for the year, announcing simultaneously a cut of fifty percent in Tang Yu-lin's tax of ten dollars per mow. Without considering for the moment the increased acreage which this encouragement would certainly result in, the speciousness of these official figures is immediately apparent when it is realized that no estimate of Tang Yu-lin's *monthly* opium revenues went lower than $3,000,000. The Japanese are thus claiming that they have cut opium revenue to about one-twelfth of its former dimensions. Yet, this year's Jehol crop is bigger than it ever was before.

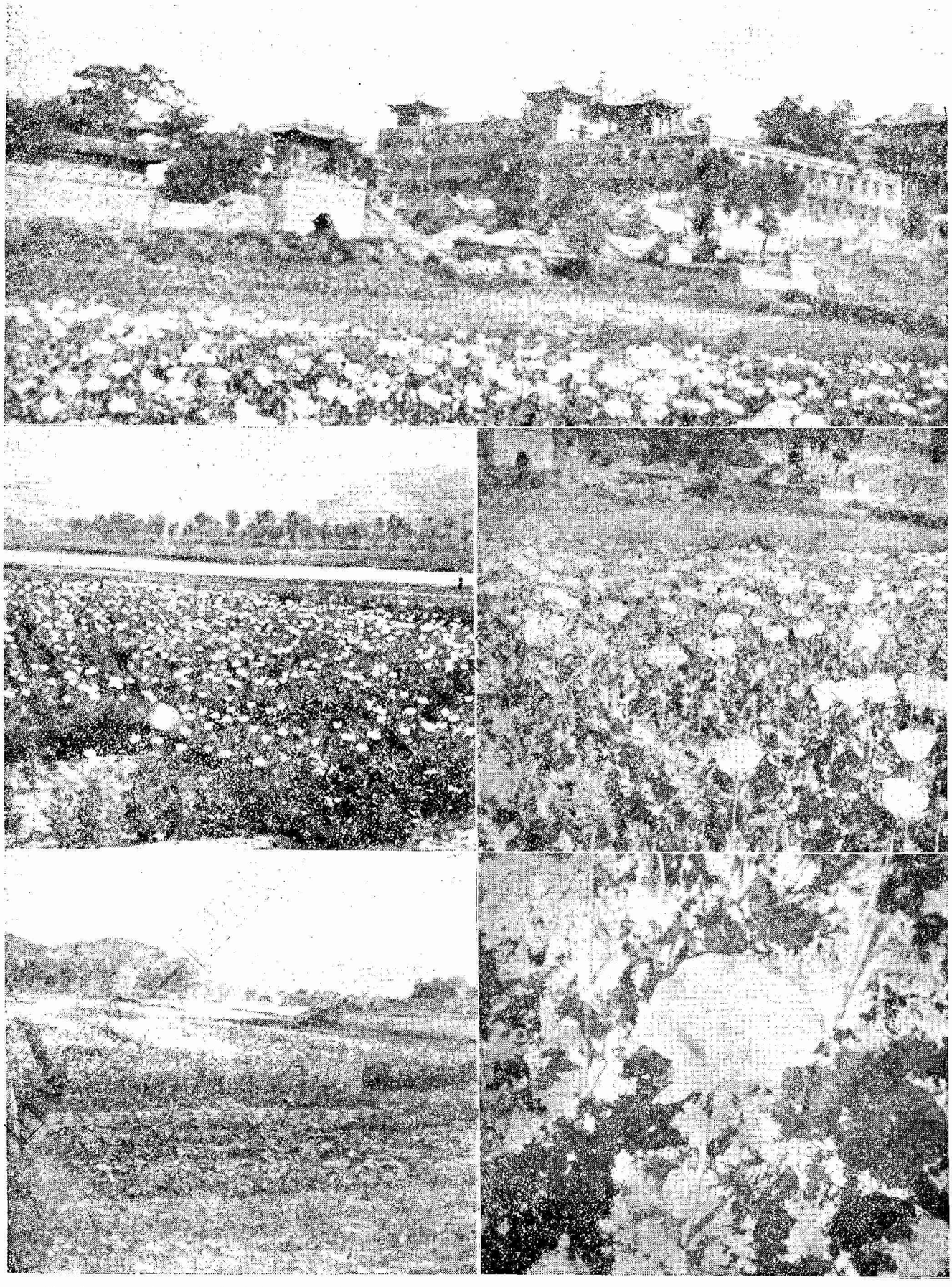
In addition to the per mow tax levied by the official monopoly, every farmer is obliged to sell his entire output to the government at about 50 cents a *liang*. Government-controlled enterprises refine the opium and sell it at a handsome profit, although it is still cheap. The writer recently purchased a small packet of opium in Chengteh, sufficient perhaps for a single smoke, for 35 Manchukuo cents. The Japanese have improved on Tang Yu-lin's opium methods, however, with the large scale introduction of morphine and heroin manufactured by Japanese and Koreans out of Jehol's opium. These new drugs are said to be coming into increasingly wider use. They are a trifle more expensive but far more convenient. Heroin is usually taken in cigarettes.

Jehol is the fountainhead of Japan's narcotic supply for all Manchuria. The benevolent results of this monopoly's first year of operation are amply demonstrated by the testimony of one foreign missionary long a resident in a small Kirin village, who told this writer that whereas before her little town had only two or three opium dens —and only people with some means could afford the time



In the discard—Stones containing Kuomintang emblems, which the Japanese conquerors dumped outside the palace wall at Chengteh. This is about all that remains of the former administration under Gen. Tang Yu-ling, which professed adherence to the Kuomintang Party or Nationalist Government.

JAPAN'S 1934 OPIUM-POPPY CROP IN JEHOL



The Japanese have doubled the production of opium-poppies with consequent increase in the production of opium, morphine and heroin in China's former province of Jehol. Poppy fields occupying hundreds of acris of farmland stretch in all directions throughout the province from Chengteh, the provinclal capital. The picture at the top shows poppy fields at the very walls of the famous Potala Buddhist temple. The other pictures also were takcn by "The Review's" correspondent in the vicinity of Chengteh.

and money to smoke—today there are no less than 47 dens established by the Japanese under conditions which have made it possible for almost every peasant in the village to become a user of narcotics. Others have reported that in many places the Japanese shops are offering pipes and lamps free as an inducement to smoking. This missionary—an American lady who lived in Manchuria for eleven years and who had in fact hoped for "better times" under the Japanese—declares that she is absolutely convinced of Japan's deliberate intention to dope the people of Manchuria into passivity. Where they can't be doped, they're shot, she added, telling many stories of wholesale executions of people on the grounds of anti-Japanese sentiments.

The Way of the Conqueror

One of the most immediately noticeable facts in Jehol is the reduced emphasis on "Manchukuo" and the increased emphasis on direct Japanese control and exploitation. Over the pass at Kupeikow flies the Japanese flag and through the streets of the city stamp a steady flow of Japanese military patrols. A panorama view of the city of Chengteh from a terrace up on the hill is splotched in half a dozen places with the Japanese flag. Only in one spot, far off in a corner, flies the new standard of the puppet state, faded and torn. The walls of the towns are still plastered with glowing posters and their legends of the new felicity under Manchukuo rule. But all of them are obviously of last year's vintage.

There are Manchukuo officials and police, attired in natty, new uniforms but for every one of them there are half a dozen Japanese. And it's the Japanese who do all the talking. As always, the frontier of empire has drawn to it the scum of the home country and Japanese Manchukuo officials and the hundreds of petty shopkeepers who have poured into Jehol since the conquest are all the vicious, brutal, rude, whip-swinging ronin type who so distinguished themselves during the Japanese attack on Shanghai a year and a half ago. The visitor to Jehol deals with no Chinese—pardon me, no Manchukuo-officials whatever. His passport is issued by the Japanese military. It is looked at half a dozen times by Japanese dressed in Manchukuo uniforms.

Most of the shops are now in the hands of Japanese The former Chinese merchants have been summarily driven from their holdings and Japanese are now directly in charge of disposing of the glut of Japanese goods which have been poured into the province ever since the spring of 1933, In Chengteh alone the Japanese population has skyrocketed from nothing to more than 1,600, excluding the 2,000 soldiers of the garrison.

There is a small garrison of "Manchukuo" troops, amounting to about 400. They have been provided with neat uniforms but are given almost no arms and ammunition. Such is the case, we were informed, throughout the puppet state. The Japanese conquerors take no chances. Their barracks and headquarters are ribbed around with barbed wire and pill boxes and are heavily guarded. They live in their new land, apparently, in calm peace and confidence.

Chengteh, Jehol, July 12, 1934.

House of Commons Discussse China Problems

Questions referring to China were discussed in the House of Commons June 6 and 7, among them being whether a residence should be provided for the British Minister in Nanking, revision of the Treaty of Tientsin of 1858 and Mackay Treaty of 1902, and the Shanghai District Court.

Sir John Simon stated that for the moment it was not proposed to remove the British Legation to Nanking but a move is on foot to provide an official residence for the Minister in Nanking. Nothing new was reported on Treaty Revision. As regards the District Court, Sir John Simon said the question was complex and the Government was keeping in touch with the situation through the British Minister.

Britain Favors Entry of Soviets into League of Nations

Soviet Russia is expected officially to ask for admission to the League of Nations in the near future. Russia is virtually certain to be elected to membership at the September Assembly as the assurance of Franco-British support will win the necessary two-thirds majority.

Sir John Simon, British Foreign Secretary, said in debate in the House of Commons July 13 that Great Britain was not extending her commitments in any way whatever. He declared that the main subject discussed, during the visit of M. Barthou, French Minister of Foreign Affairs, was the French proposal for a pact of mutual assistance embracing the Baltic states, Soviet Russia, Poland, Czechoslovakia and Germany. It was proposed that the pact would follow in analogy with the Locarno Pact.

Italy made a volte face on the same date when a semi-official communication was issued in Rome that the Italian attitude towards the British view regarding an Eastern Locarno, was one of favorable consideration. A similarity of outlook is apparent between Great Britain and Italy regarding Russia, whose entry into the League has always been desired at Rome. Sir John Simon revealed for the first time that Britain will favor the entry of Soviet Russia into the League of Nations. Britain's attitude on Russia's membership in the League has been a puzzling factor for some time. In several quarters it had been predicted that Britain would oppose such a development. They stated that any increrse of Soviet influence in the counsels of nations would tend to revive British fears of Communist expansion in China. India and the far-flung empire in the east. Such rumors have now been definitely set to rest.

Although the Soviets are anxious to join the League they point out that as Russia's annual dues as a member of the League of Nations would be 3,000,000 Swiss francs, they are entitled to have either a Russian as Under-Secretary-General of the League, or a Russian as Director of one of the League's important departments.

The projected East European Pact is being conspicuously featured in the Soviet press, which considers that such a pact will further guarantee world peace and inviolability of the Soviet Western border.

Preliminary Naval Talks Postponed Until October

A Tokyo message July 15 stated that Britain, the United States and Japan have agreed to postpone until October the preliminary naval talks which have been proceeding in London. A communique was issued simutaneously in London, Washington and Tokyo July 17 detailing the work accomplished and explaining the reason for the interruption in the negotiations until October.

The United States delegation to naval negotiations preliminary to the naval conference of 1935 departed from London during the week on their return to the United States.

Commenting on Japan's participation in the 1935 naval conference, the *Japan Advertiser* July 14 remarked that, it is evident that there is no enthusiasm in Japan for either preliminary talks or for the forthcoming conference itself. The *Advertiser* stated that it is obvious, insofar as Japan is concerned, that an extension of the London Naval Treaty is impossible unless it is modified. There is unquestionably strong sentiment among Japanese naval officials in favor of letting existing naval treaties lapse and restarting a clean slate on the basis of parity.

The British Cabinet, July 11 decided to take immediate steps in the various European capitals in favor of a system of regional security pacts, as proposed by M. Barthou, French Foreign Minister, during his recent visit to Londen. The *Berliner Tageblatt* bitterly remarked July 11 that France now has a free hand in her policy of encircling Germany with British support.

U. S. May Build Two 35,000 Ton Battleships

The United States is awaiting the result of the London Naval Conference in 1935 before deciding to build at least two 35,0000-ton battleships, according to Secretary of Navy Swanson. Plans for the ships have already been prepared.

Extensive naval construction which, if continued, would bring the United States Navy to full strength allowed under terms of the Naval Limitations Treaty by 1939 will be inaugurated August 15, it was announced in Washington, July 14. The Navy Department on that date will open bids for the construction of 24 naval vessels including two heavy destroyers, 12 light destroyers, six submarines, one heavy cruiser, and three light cruisers over a period of five years.

A large tank fitted with a submarine conning tower for the purpose of schooling officers and men attached to the submarine arm of the China Fleet in the use of the Davis Submarine Escape Apparatus underwent satisfactory tests at the Hongkong Naval Dockyard on July 9.

Col. Doihara in Mongolia on Fresh Mission of Conquest; Sinkiang Rebel Chief Interned in Russia

High Lights in the Events of the Week:

1. "Opposite Shore Conference" in Progress in Formosa.
2. Sino-Japanese Conference at Dairen to Discuss Luantung Problems.
3. General Ma Chung-ying Arrested and Interned in Russia.
4. Fresh Cash Rewards for Heads of "Red" Leaders, Chu Teh and Mao Chi-tung.
5. Southwest Policy Unchanged Despite Nanking's Missions to Canton.
6. New Draft Constitution Confers Supreme Powers on President.

According to information in diplomatic circles in Nanking, the Japanese arch—intriguer, Col. Doihara, Head of the Japanese Secret Service in Manchuria, who had played an important part in the Manchurian Affair both before and since the Mukden Outbreak on September 18, 1931, has secretly gone to Inner Mongolia to embark upon another mission of conquest. Armed with ample funds and a large consignment of gifts in the form of silk and curios, the elusive Japanese Colonel, accompanied by a retinue of two other Japanese secret service agents, mysteriously departed from Tientsin for Inner Mongolia end of last month to carry out his mission among the various Mongolian Leagues there. According to latest information, Col. Doihara has already reached his destination and by cajolery and intimidation is endeavoring to induce the Mongolian leaders to transfer their allegiance to the puppet "Manchukuo." But, the information states, he is meeting with rebuffs from the Mongolian League Chiefs because of the influence of the newly-established Mongolian Autonomy Political Council which is loyal to the Chinese Government.

The Japanese are also planning to renew aggression on Charhar. Besides enlarging the airfield in Dolonor, the Japanese military authorities in Jehol have decided to build a new motor road leading from Chengteh, capital of Jehol, to Dolonor. Construction on the section between Fengning and Dolonor is reported to have already been started, while coolies are being recruited at Chengteh to commence work immediately on the other section from Chengteh to Fengning.

Under the personal direction of Major-General Umezu, Commander of the Japanese Garrison at Tientsin, 400 Japanese soldiers practised street-fighting in the Japanese Concession July 13. As private dwellings in the Concession were occupied as bases of operations, great consternation was aroused among the inhabitants.

Without notifying the Chinese Municipal authorities at Tientsin beforehand, Japanese soldiers on July 11 engaged in torpedo practice at the creek in the neighborhood of the Haikwangssu barracks. The sound of explosions alarmed the whole city and created consternation among the people.

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The conference of Japanese consular officials in South China, summoned by the Japanese Governor-General of Formosa, was officially opened in Formosa on the 17th this month and is now in session. A responsible official of the Japanese Consulate at Shanghai stated on July 13 that the conference is an annual affair and will last three or four days. It is being attended by Japanese Consuls stationed at Foochow, Amoy, Santuao, Yunnan and other places. The purpose of the conference, he said, is to discuss measures of collaboration among the Japanese Consular agents in South China for the development of Japanese trade and protection of Japanese nationals residing in the above mentioned places. Representatives of the Japanese Minister to China, Mr. Ariyoshi, and the Japanese Consulate at Shanghai have already gone to Formosa, while Japanese Consular agents in various parts in South China are also on their way there to attend the conference. The Formosan Confab is better known as the so-called "Opposite Shore Conference," the real mission of which is to formulate plans for the expansion of Japanese influence, political and economic, in South China as a preliminary step for more active encorachment in the future.

According to a report in the *South China Press* at Amoy on July 11, Hattori, Vice-Consul of the Japanese Consulate in Canton and Harada, Japanese Consul-General in Swatow passed through Amoy on said day for Formosa to attend the Japanese Consular conference there on board ss. *Hozam Maru*. While the steamer docked at Amoy, they were joined by the local Japanese Consul, T. Tsukamoto and sailed together for Formosa. Interviewed, the Japanese Consular officials said that their trip to Formosa is "of no much importance." They are going there to attend the Conference only to help the Formosan Government discuss "fully ways and means for the improvement of living conditions of the Formosan immigrants in South China." They further stated that Japanese Consuls in Foochow and Hongkong are also on their way to Formosa by another boat. The program of the conference, they said, has not yet been fixed, but they will remain in Formosa for two weeks. Hiratzika, vice-Governor-General of Formosa, will act as Chairman and all officials of the Formosan Government will be present.

Sino-Japanese Conference at Dairen to Settle Luantung Problems

Plans for the solution of unsettled problems in the Luantung demilitarized zone have been mapped out as result of the recent informal conferences held at Peiping by Chinese and Japanese representatives, declared Tao Shang-min, inspector-general of Luantung, in a press interview on July 13. The plans, Mr. Tao added, will be put into effect upon the return of General Huang Fu, who is now conferring with Ying Tung and Tang Yu-jen, vice-minister of foreign affairs, in Mokanshan.

Important discussions on North China problems were held July 13 at Mokanshan, near Hangchow, between General Huang Fu, chairman of the Peiping Political Affairs Readjustment Committee, Tang Yu-jen, vice-minister of foreign affairs, and M. Ying Tung, Managing Director the Peiping-Mukden Railway. Mr. Tang represented Wang Ching-wei, President of the Executive Yuan, in the Mokanshan conference and he is charged with the mission of persuading the North China political chief to return to Peiping at once to tackle pending Sino-Japanese issues, including the abolition of the Tangku Truce Agreement.

Conflicting reports were in circulation in Nanking, July 15 regarding the intentions of General Huang Fu. One report states that he will not leave Mokanshan till the Autumn, but another declares that he is returning to Peking shortly as the result of his conference with Tang Yu-jen.

It is reported that a conference will shortly be held at Dairen between the Chinese and Japanese authorities for the settlement of all outstanding issues in North China. General Huang, Fu, it is reported, will represent China at the meeting, but if General Huang cannot come to the North in time for the meeting, Yin Tung, Ying Ju-keng, Lei Shou-ting and Liu Shih-sun will attend the conference on General Huang's behalf. The most important issues to be discussed are the withdrawal of Japanese troops from Chienchangying and Sahochiao, restrictions of the activities of Japanese and Korean undesirable elements in the war area, transfer of Chinese special police in the Luantung District and the reorganization of the police force in the Luantung area.

According to a *Rengo* telegram in the *Osaka Mainichi*, July 11, the Nanking Government has asked the Kuantung Garrison to completely withdraw garrison troops from the demilitarized zone in North China as the questions of through railway traffic at Shanhaikuan and the establishment of the zone is to watch the enforcement of the Tangku Truce Agreement, the Nanking Government has made the request, because, it is reported, Chairman Huang Fu has expressed his intention to the Nanking authorities not to return to his post in Peiping unless the Kuantung Garrison troops completely withdraw from North China.

Under alleged Japanese instigation, bandits are now attempting to reenter the Luantung demilitarized zone from Jehol with a view to creating disturbances, according to a *China Press* report July 12. It is learned that a large number of bandits have reached Lengkow, an important pass along the Great Wall. Their further advance into the Luantung area, however, was considered unlikely, as additional Chinese police have been rushed to check their advance. Acting in concert with these bandits, the irregulars under the notorious leader, Li Tsi-chun, are also rushing preparations to stage disturbances in various parts of the Launtung area.

The Peiping-Mukden Railway authorities attribute the additional precautions to safeguard the line, which they allege, are on a very small scale, to an incident in a through-train in which a Chinese railway guard was assaulted. The assailant was arrested and found to be in possession of a gun. The Railway Administration has also received a report to the effect that certain reactionary elements are planning to bomb railway bridges on the Tangshan-Shanhaikuan section of the line. It has despatched one hundred additional police to protect the Line. The police have received strict orders to fire on suspicious characters.

Reports that martial law has been declared along a section of the Peiping-Mukden Railway are unconfirmed, according to a *Reuter* report July 12. Colonel Shibayama, Japanese military attache in Peiping, stated in an interview with Chinese pressmen that he is leaving for Changchun next week to seek instructions from the Kuantung Army regarding various outstanding questions in the demilitarized zone. He confirmed Chinese press reports that negotiations over these questions had been proceeding smoothly but denied that a further conference would be held in Tientsin between Chinese and Japanese delegates.

Extension of the South Manchuria Railway's activities into North China is expected to occur within the near future now that the question of through railway traffic between Peking and Mukden has definitely been settled, according to a *United Press* message from Tokyo July 14. The S.M.R. has decided to carry out what it calls financial co-operation" with North China, according to "Nihon Dempo." The new project is being kept secret, but announcement of details may be made soon. The Peking branch of the S.M.R. will be the scene of much activity in the near future and Shirzo Toka is expected to be designated as head of the Peking branch office in the capacity as official adviser to the company, according to "Nihon Dempo."

The Ministry of Finance has completed plans for the establishment of two Customs houses along the Great Wall, one at Shanhaikuan and the other at Kupeikou. Apart from these, ten Customs outposts will be established at different Great Wall passes. Chang Yung-nien, representative of the Finance Ministry, called on Co. Shibayama, the Japanese Military Attache, on July 13 to exchange views regarding the establishment of Customs stations.

Acting under the instigation of a "certain" country, a large quantity of counterfeit banknotes of the Bank of China, Bank of Communications and the China and South Seas Bank, has been smuggled in from outside the Great Wall for circulation in Peiping and Tientsin. The notes are of $5, $10 and $50 denominations. Orders have been issued by the Peiping and Tientsin authorities to the police units to warn the public and take steps for the arrest of those attempting to pass off the forged notes.

Interviewed on July 10, a high official of the Ministry of Communications declared in emphatic terms that the postal blockade against the puppet "Manchukuo" remains in force as rigidly as ever before. Press reports that the Chinese Postal Administration has agreed to accept mails from Manchuria for transmission inside the Great Wall are characterized as absolutely false. The official declared that up to the present, the Communications Ministry has made no decision regarding the matter and that in his opinion, the blockade will continue to be in force indefinitely.

All the employees of the Canton Post Office are incensed by the report that the resumption of postal communication with the so-called Manchukuo has been effected since July 1. It is learned that besides circulating telegrams expressing its strong opposition, the Postmen's Association at Canton has taken measures to prevent the carrying out of such defeatist policy.

A *Rengo* dispatch from Peiping published in the *Osaka* Mainichi July 11 alleges that General Sun Che-yuan, Chairman of the Chahar provincial government, in a telegram to the Nanking Government, reported that 12 Mongolian tribes in Chahar province, under the leadership of Chatpachap, have declared independence, encouraged by the independence of Manchukuo and Inner Mongolia.

According to a telegram from Kweihua, capital of Suiyuan, Prince Yung (or Yung Wang), Chairman of the Mongolian Local Autonomy Council, is seriously ill. Due to lack of funds, the Council has not been able to proceed with its plans of development since its inauguration early this year.

A *Rengo* report from Hirosaki, July 15, states that the commander of the Chinese 17th Army, General Hsu Ting-yao, was highly praised by the Japanese warriors belonging to the 31st Regiment, who had returned to Hirosaki from the battle field at Kupeikow, when their regimental commander, Colonel Hayakawa, received a letter of thanks from the Chinese army commander for the monument that had been erected by the regiment at Nankwan, in memory of those Chinese soldiers who had fallen for the cause of their country, severely fighting against the Japanese 31st Regiment. Nankwan was the worst point where severe fighting occured several times and many lives of Chinese soldiers belonging to the 17th Army had been lost. In memory of the fallen Chinese soldiers, Colonel Hayakawa had erected a monument and conducted a service before evacuating the place.

According to a *Rengo* report from Tokyo, July 16, three Chinese Buddhists priests, arrived at Tokyo on the day to attend, in a private capacity, the Pan-Pacific Young Men's Buddhist Conference. They are the Rev. Tsai Chi-tang, the Rev. Yuang Tai-ming and Yuang Chin-kuang. A party of 28 monks headed by the Rev. Shi Ju-kuang also reached Tokyo on said day from Manchoukuo.

Sinkiang Rebel Chief Arrested and Interned in Russia

According to a *Tass* report from Irkeshtam (a town near the U.S.S.R.-Sinkiang frontier) July 15, as a result of the fighting in southern Sinkiang between the troops of the Sinkiang Provincial Government, headed by General Shen Shih-tsai, and those of the Tungan General Ma Chung-yin, on July 10 General Ma, accompanied by three officers and 79 cavalrymen, crossed the Soviet frontier near Irkeshtam. General Ma and his escort have been disarmed and interned.

Russian officials in Moscow attach great importance to the arrest of General Ma who had been creating civil strife in Sinkiang where he has been trying to undermine the authority of the Nanking Government.

General Blucher, Commander-in-Chief of the Soviet Far Eastern forces, who is now in Harbarovsk, declared on July 16 that the Russian Army in the Far East was now complete and "ready to repulse the enemy."

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Due to the extremely hot weather, the Panchen Lama, "Living Buddha" of Tibet, became indisposed since his arrival at Peiping from Nanking by airplane July 14. He called on General Ho Ying-ching, Chairman of the Peiping Military Affairs Commission, July 16. He announced that he will shortly proceed to Suiyuan to preach Buddhist teachings among the Mongolian Leagues there. Five members of his retinue died by heat prostration while en route to Peiping from Nanking. The victims consisted of one guard, two lamas and two staff members

General Huang Mo-sung, the Government Envoy to Tibet, in a telegram to Nanking July 13, reports his arrival at Changtu (Chamdo), the Tibetan headquarters. General Huang declares that he is continuing his journey to Lhassa, Capital of Tibet, which he expects to reach after six weeks.

The Chinghai Investigation Party organized by the Central Political Institute arrived at Hsining, Capital of Chinghai, on July 11th. The party was greeted in the suburb

of the city by a number of local officials and representatives of the various public organizations. Some members of the Party will remain at Hsining to make preparations for the establishment of the Chinghai Branch School of the Central Political Institute, while the rest will severally proceed to the various districts in the province to investigate industrial and educational conditions.

Fresh Cash Rewards Offered for Heads of "Red" Leaders

Cash rewards of $20,000 each for the capture dead or alive of Chu Teh and Mao Chi-tung, the notorious Red leaders, have been offered by the Political Training Bureau of the Commander-in-Chief's Headquarters of the Eastern Route Bandit-suppression Forces.

A Foochow message reports that the "Reds" at Shahsien and Yungan, northern Fukien, have fled while the scattered outlaws at Yungting, Shanghang and Liencheng, western Fukien, have been wiped out by the Government troops. The "Reds" at Changting, their stronghold in western Fukien, are now isolated.

Fierce fighting is reported to be in progress at I-chien, in the vicinity of Shihcheng on the Kiangsi-Fukien border. Since their capture last week of Paishuicheng, 10 miles south of Kwangchang, the Government forces have pursued the "Red" outlaws to I-chien, the fall of which is expected momentarily. Government airplanes reconnoitering over the scene of battle report that the main forces of the Reds have secretly fled to south of Ningtu and Hingkuo, south-eastern Kiangsi. From western Fukien it is learnt that 3,000 "Reds," following their defeat recently at the hands of the Fukien forces, are crossing the Fukien-Kiangsi border for Juikin, "Red" capital, from Changting.

After their defeat at the hands of the Government troops in western Fukien, the Communists at Changting are withdrawing in the direction of Juikin in Kiangsi. The Communists there are requisitioning rice and other food supplies in that region and so far 240,000 piculs of rice have already been commandeered.

A force 16,000 Communist troops, belonging to the socalled 1st, 3rd, 5th and 7th "Red" army corps, recently launched a counter-attack on the Government troops at Kienning, western Fukien, from Shwangsikow. After stiff fighting, the marauders were forced to retreat towards Juikin, "Red" capital in south-eastern Kiangsi, with the Government units in close pursuit.

Active preparations are under way for the establishment of a Naval College at Mamoi which is expected to be opened for enrollment before the end of the present year, declared Admiral Li Shih-cha, member of the Fukien Provincial Government and concurrently Commander of the Mamoi Forts in Fukien in an interview at Shanghai July 11. Admiral Li said that the Naval College is being established under the auspices of the Ministry of Navy and several foreign naval experts from England, Italy and the United States have been engaged as instructors.

Many important military and naval commanders are now at Kuling to see General Chiang Kai-shek, President of the Military Affairs Commission. Among those are General Ho Chien, Chairman of Hunan; General Hsieh Yo, Commander of the 6th Route Army; Yang Te-chao, ersonal representative of General Chen Chi-tang; Admiral Chen Shao-kuan, Naval Minister; General Hsu Yung-chang, Chairman of Shansi; General Yang Ai-yuan, Commander of the 34th Army; General Ho Cheng-chun, Director of the Hankow Pacification Headquarters; General Hsu Yuan-chuan, Commander-in-Chief of the Pandit-suppression Forces for the Hupeh-Hunan border; General Hsiao Chih-chu, Commander of the 26th Army and Marshal Chang Hsueh-liang, Deputy Commander-in-Chief of the bandit suppression forces for Hupeh, Honan and Anhwei.

Classes for the Military Officers' Training Corps were formally opened at Kuling July 11.

To facilitate the bandit-suppression compaign along the border regions, the Commander-in-Chief's Headquarters of the Bandit-suppression Forces for the provinces of Honan, Hupeh and Anhwei has established a provisional headquarters at Hwangchwan, southern Honan. Major-General Hsieh Ko, former Chief-of-Staff of the Heilungkiang Provincial Forces and at present Counsellor in the Commander-in-Chief's Headquarters, has been made Director of the Provisional Headquarters.

According to a military communique from the Kiangsi front July 10, due to the strong pressure brought to bear by the Eastern Route Bandit-suppression Forces in Fukien, the Communist troops in western Fukien are attempting to retreat in the direction of Hweichang and Chunmengling in Kiangsi. As soon as the Field-Headquarters of the Southern Route Bandit-suppression Forces learned of the information, General Huang Chi-wen's Division was dispatched to Chungmengling and launch a flank attack on the retreating "Reds." Taken by surprise, the Communists suffered heavy casualties and were forced to abandon the stretegic city, Lotien, near Hweichang, which has now been occupied by General Huang's troops.

According to information from military sources in Canton, the Kwangtung troops in southern Kiangsi are not making any headway in their compaign against the Communists. They are still stationed around Chumengling, where they are awaiting orders to make a further advance on Juikin. It is stated that they have much difficulty in pushing forward owing to the difficulty of transporting food supplies to the front. In regard to the strength of the Communists in western Fukien, it is learned that it is in the neighbourhood of 20,000, mostly armed. Naturally there are plenty of Communist irregulars, but as they are not properly armed and do not give much embarrassment to the Government forces.

Following a combined attack by two detachments of the Szechuen 5th Route Army, Chengkow, near the Szechuan-Shensi border, was captured during the week-end. The outlaws made their escape by the Chengkow-Wanyuan Highway, and have entrenched themselves at Wanyuan, west of Chengkow. A siege is being laid to Wanyuan by the Szechuan troops.

An agreement has been reached between the military authorities in Szechuen, Hunan and Kweichow for the joint suppression of Ho Lung's band of Communists in Kweichow. At present the Szechuen and Hunan troops are moving steadily towards the Kweichow border and a joint offensive against the Reds is expected to be launched shortly.

General Liu Hsiang, commander of the Szechuen provincial troops, ordered a general attack against the Communists at Wanyuan July 11. It is reported that the Communist defences will collapse before long and there are indications that the Reds will soon withdraw in the direction of Chengpa and Tzeyang, in southern Shensi.

General Wang Chia-lieh, Chairman of Kweichow, reports that two divisions of Kweichow troops are fighting against the Reds and are compelling them to retreat in the direction of southern Szechuen. The cities of Houping and Wuchuan, which have been recaptured from the Reds, are now a mass of ruins, and the authorities are now attending to their rehabilitation.

A message from General Yang Hu-cheng, Director of the Sian Pacification Headquarters, to General Liu Hsiang, reports that the "Reds" invading Yaotow Shan (mountain) in Chenpa, in the extreme south of Shensi, have been repulsed by the Shensi forces.

Chow Heng-lai, important leader in the Chinese Communist Party, is reported to have secretly come to Shanghai from Kiangsi where things have been made too hot for him by the steady enclosing movement of government troops. A prize of $200,000, is said to have been placed on Chow's head as he is one of the principal organizers of the Chinese Red Army who until recently has proven its fighting strength in repeated engagements with government troops. In coming to Shanghai, Chow is understood to have carried with him an important mission to prevent General Chiang Kai-shek's well-prepared plan for a final clean-up of the communist bandits in Kiangsi and Fukien.

Southwest Policy Unchanged Despite Nanking's Mission to Canton

Interviewed July 11 regarding the political outlook, a spokesman of the Southwest Political Council at Canton stated that despite recent political missions to Canton, new developments in the situation were not likely, and Canton's policy would remain unchanged. General Huang Shao-hsiung,

Minister of Interior, is making a further endeavor to reconcile the leaders in the Southwest. Sun Fo, President of the Legislative Yuan, is also reported to be coming to Canton in connection with the question of the Fifth Plenary Session of the Kuomintang.

In a statement to the press during his recent visit to Canton, General Ho Chien, Chairman of Hunan, said that economic collaboration between Kwangtung, Kwangsi and Hunan is necessary as these three provinces form one unit, geographically speaking. He hoped that the authorities of the three provinces will cooperate in the work of national salvation. According to General Ho, the strength of these 3 provinces is strong enough to take up the task of national salvation, as they together have one-fourth of the total population of China.

Commenting on General Ho's statement, Hsiao Fu-chen, a member of the C. E. C. and of the Southwest Political Council, declared that Kwangtung and Hunan must cooperate in consummating the work of revolution, as these two provinces held very important positions in the history of China. Hunan is the place where revolution began, while Kwangtung is the place whose the people gave support to the revolution. Concerning the existing political condition, Mr. Hsiao said that it is going from bad to worse. The Nanking government seems to be conniving at foreign aggression of any kind. The countrymen at home and abroad are wholly disappointed. General Ho, it is said, was in entire accord with Mr. Hsiao's opinion.

Arrangements for Hu Han-min, veteran Kuomintang leader, to end his retirement in Hongkong for a trip abroad as a special representative of the Central Kuomintang to investigate party affairs in Europe and America, are now taking on a definite shape, according to reports in Chinese papers. If everything goes smoothly, Mr. Hu will set out on his journey either in August or September for Europe and later to the United States. His daughter Mou-lan may accompany him. Pending his departure, a meeting will be arranged between the veteran leader and Sun Fo, President of the Legislative Yuan, or Dr. H. H. Kung, minister of finance, in the British Colony. Nanking is interested in seeing Mr. Hu leave Hongkong, for his residence there has often been capitalized by unscrupulous politicians who are seeking to enlist his support against the Central Government.

The recent visit of General Ho Chien to Canton will have far-reaching consequence in the future relations between Nanking and Canton. Although General Huang Shao-hsiung, Minister of the Interior, previously visited to Canton, he could not say much to the Cantonese leaders because of his former relations with Kwangsi. General Ho Chien was sent to the South with the same mission as General Huang, but he could speak more freely, because of his position as Governor of Hunan. General Chiang Kai-shek was tired of the slogans of the South-west, such as "Down with the Dictator," and wanted to have their cooperation instead. General Chiang is reported to have given General Ho power to make promises to the South-west if they accepted certain conditions. Another mission of General Ho was to request the socalled Kuomintang elders, such as Hu Han-min, Hsiao Fo-chen and Chow Lu, to proceed to Nanking. If Mr. Hu refuses, the Government may send him to Europe on a tour of inspection. General Ho's Mission was a success, as all the South-west leaders have unconditionally accepted the demands of the Generalissimo. Mr. Hu however, is still holding out. He has definitely declined to go to Nanking and has not yet agreed to go abroad.

The *Shun Pao* learns that Sun Fo, President of the Legislative Yuan, has received instructions from General Chiang Kai-shek to visit Hongkong while on his way back to China from Honolulu. It is said that as a result of the recent visit of Generals Ho Chien and Chiang Po-chen to Canton, the relations between Nanking and Canton have been much improved. But for further details of future cooperation between Nanking and Canton, General Chiang has decided to send Mr. Sun to Hongkong to make arrangements. Mr. Sun's principal mission to the South will be to persuade Mr. Hu to leave Hongkong and, if possible, to take a trip abroad.

General Pai Chung-hsi, Vice-Commander of the Kwangsi Provincial Forces, arrived at Hongkong from Canton July 13. In an interview, General Pai stated that at Canton he met General Chiang Po-cheng, personal representative of General Chiang Kai-shek; General Ho Chien, Chairman of Hunan and General Hsieh Yo, Commander of the 6th Route Army. The urgent task of suppressing the bandits is fully recognized in all quarters, General Pai said. In case of necessity, an additional Kwangsi division will be sent to participate in the subjugation of the "Reds" in Kiangsi. General Pai later called on General Huang Shao-hsiung, Minister of Interior, and Hu Han-min.

General Huang Shao Hsiung, Minister of Interior, left Hongkong for Shanghai July 15 by the French s.s. Chenonceaux on receipt of telegraphic instructions from the Capital. He is due to arrive at Shanghai July 18.

According to a *Central Press* dispatch from Canton July 6, Lin Cheung, Chairman of the Cantonese Guild in Shanghai, has again sent a petition to the Kwangtung authorities accusing Kan Nai-kwong, vice-Minister of Interior, of embezzlement during his term of office as Mayor of Canton and requesting that the Nanking government send him back to Canton under escort for trial. The dispatch states that it is generally known that Kan Nai-kwong, when he was Mayor of Canton in 1927, squeezed $160,000 from the Municipal Bureau of Finance. Of that amount, $110,000, according to him, were used for rehabilitation and other purposes by order of the Kwangtung Branch of the Central Political Council, and $50,000 were borrowed by the Provincial and the City Tangpu. But there were no such accounts in the books of these organs. It was alleged that he absconded with this large amount of money. The Kwangtung Branch of the Central Political Council issued a warrant for his arrest in January 1928, and the Canton Court also instituted proceedings to prosecute him simultaneously. But, at that time he was in America, and the question was shelved.

General Chang Fai-kwai, formerly Commander of the famous Chinese "Ironsides," left London for Denmark on July 14. He is planning to return to China shortly by way of America. General Chang had been in London for the past several months, during which besides visiting the military and air establishments in England, he also devoted considerable time to the study of English.

Dr. Wang Chung-hui, Chinese member of the Permanent Court of International Justice at the Hague, who recently returned to China, arrived at Canton July 16. Interviewed by Chinese newspapermen, Dr. Wang declared that China was passing through a most critical period and that her salvation was in self-reliance, national unity, efficient government, and financial unification which were most essential. Regarding the international outlook, Dr. Wang said that the situation was very complicated. There were signs of unrest everywhere as a result of economic depression, the war debt, unemployment and armament problems. A second Great War appeared inevitable, he declared, and the nations had already started an armament race in preparation for the coming conflict.

According to information from military circles, General Chen Chi-tang, Commander of the Kwangtung Provincial Forces, is contemplating the organization of a South China National Defense Inspection Corps with General Tang Hao-ching as Commander. The Corps will consist of four groups which will be stationed respectively at Tsaochow, Swatow, Tiger Forts and the Hainan Island.

Following the suppression of mixed bathing, leaders of the "purity" campaign in Canton are seeking an official ban on "mixed walking." A petition submitted to the Southwest Political Council by a number of officials advocates the restoration of the old virtues. It declares that the practice of young men and women walking together in the streets is "Just as undesirable as mixed swimming and should, in the interest of social welfare, be immediately restricted." The petition particularly deplores the practice of men and women walking arm in arm, and it urges the authorities to prohibit it. It emphasizes that "morality on land is as important as morality in the water and that, since mixed

bathing has been banned there is no reason why mixed walking should be allowed."

New Draft Constitution Confers Supreme Powers on President

Many vital changes, including the introduction of a presidential system of government, are embodied in the revised draft of the Chinese Constitution. The new draft gives the President very large powers, as witness the following provisions.

Article 44. The President shall, in accordance with law, have supreme command over the land, naval and air force.

Article 45. The President shall, in accordance with law, exercise the power to declare war, to negotiate peace and to conclude treaties.

Article 46. The President shall, in accordance with law, proclaim and cancel martial law.

Article 47. The President shall, in accordance with law, exercise the power of granting amnesties, pardons, reprieves and restition of civic rights.

Article 49. The President shall, in accordance with law, appoint or dismiss civil and military officials.

Article 51. The President shall at the same time be the Chief Executive with supreme executive authority.

Other changes in regard to the Presidency and Vice-Presidency are the reduction of the age qualification from 45 to 40 years and the reduction of the terms of office from six to four yars, re-eligibility, as in the original draft, being limited to one term only. The new draft further stipulates that those in active military service are not eligible for the Presidency or Vice-Presidency.

Another notable change in the revised draft is in regard to relations between the central and local governments, and there seems to be little doubt that the constitution-makers intend that China should be politically developed on the basis of a strong, unitary government.

Under the provisions of the new draft, the province is relegated to the position merely of an administrative area and the provincial governor and his colleagues, appointed by the Central Government, are charged with the task of carrying out its laws and regulations and given the power of supervision over the administration of the districts within their province. No attempt is made to define the separation of powers between the central and local governments and it appears that the latter are to exercise only such powers as are given them by the Central authorities.

Two new chapters are added to the revised draft, one dealing with finance and the other with national forces. The chapter on finance stipulates that all the various grades of governments and self-governing bodies must compile budgets and estimates every fiscal year, and also lays down some general principles regarding the procedure of compiling them.

Article 169 stipulates that the following matters shall not be carried out unless in accordance with law or with the approval of the Legislative Yuan.

1. The imposition of taxes, duties, fines or other imposts exacted by means of governmental authority, as well as alteration in the rates.

2. The issue of public bonds, the disposition of public property, or the conclusion of contracts bound to increase the burdens of the public treasury.

3. The creation of monopolies and the granting of concessions or similar commercial privileges, as well as the withdrawal of these rights.

The same article provides that the local governments, whether provincial, district or municipal shall not borrow from foreign sources or make use of foreign capital.

The chapter on national forces says that the Army shall be built on the principle of conscription and that the national forces, being established for the purpose of protesting national territory and resisting foreign aggression, shall be under the control of the Central Govrenment.

Article 177 provides that the entire country shall be divided into a number of military districts and article 178 that troops should not be moved unless in accordance with orders from the Central Government or in compliance with urgent requests for military assistance from the local authorities. In the latter case the civil authorities and the commanders concerned must immediately report to the Central Government.

Article 181 requires all those in active military service not to interfere in administrative affairs or to express views of a political character.

Article 182 disqualifies those in active military service from accepting administrative posts. This article is significant in view of the fact that at present all provincial governorships or chairmanships, with only a few exception, are filled by active army commanders.

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In connection with recent rumors about a possible change in the Government, inquiries made at responsible quarters elicited the information that such reports are entirely without foundation. On the contrary, the informant declared that the position of the present Government is extremely stable and no reorganization is being contemplated. It is also pointed out that the success of General Ho Chien's mission to the South-west has placed the Government on a more sound footing, and the confidence of the Government in the South-west has been established.

The report that President Wang Ching-wei is contemplating to resign from his substantive and concurrent posts in the Government is being denied in official quarters. The report alleges that President Wang has taken the blame on himself for the impeachment by the Control Yuan against Ku Meng-yu, Minister of Railways, who has been charged with alleged irregularities in connection with the loan of $10,000,000 for the Chenting-Taiyuan Railway from the French interests.

An attempt to intimidate Liu Hou-wu, member of the Control Yuan, who recently brought the impeachment against Ku Meng-yu was made July 10 by an unknown person, dressed as a chauffeur, who drove up to Mr. Liu's residence in a motor car and, after delivering a letter, quickly motored away. On opening the letter, Mr. Liu found a revolver bullet and a little note "advising" him to commit suicide. The note charged Mr. Liu with engaging in reactionary activities, and ignoring the request of an "old friend." It threatens that, in the event of Mr. Liu refusing to commit suicide, drastic steps will be taken against him. Mr. Liu immediately reported the case to the Metropolitan Police headquarters, which is conducting a thorough investigation with a view to finding out the author of the letter.

Upon the urgent request of President Wang Ching-wei, Dr. H. H. Kung, Minister of Finance, and Chen Kung-po, Minister of Industry, have returned to Nanking to join the discussions regarding the attitude of the Cabinet towards the impeachment. The situation, however, is not believed likely to take a serious turn, as the impeachment does not involve a political issue, nor does it concern Government policy.

Measures for the disposal of Impeachment cases in future were modified by the Central Political Council at its meeting held July 12. The modification consists of the following 3 points:—

1. The text of any impeachment brought by the Control Yuan, and the answer by the impeached official, as well as matters relating to the impeachment case, shall not be divulged until it has been adjudicated by the organ exercising jurisdiction over the case.

2. After the competent disciplinary organ has rendered a decision against an impeached political official, the Central Political Council may reconsider the impeachment case if it deems necessary.

3. Without the authorization of the Central Political Council, no important documents relating to Government policy and the international status of China shall be made public.

The Chinese newspaper "Chao Pao" at Nanking was ordered to suspend publication for one day, July 14, as a punishment for printing some heated remarks alleged to have been made by a certain Yuan president at the meeting of Central Political Council July 11 in connection with the Ku Meng-yu case.

The Chinese press in Nanking not long ago reported the suggestion of some members of the Control Yuan that impeachment bills should be posted in front of its building for the public to read. This method of securing publicity has been prohibited.

Meanwhile it is reported that the Control Yuan is considering the impeachment of Kan Nai-kwang, Acting Minister of Interior, following charges brought against him by Cantonese organizations in Shanghai.

Dr. Wellington Koo, Chinese Minister to France, called on President Wang Ching-wei at the Ministry of Foreign Affairs July 12 and reported on the international situation affecting China. After completing his mission at the Capital, Dr. Koo will proceed to Kiangsi to see General Chiang Kai-shek, President of the Military Affairs Commission. Interviewed by press representatives, Dr. Koo emphasized the paramount importance of national unity in face of the present crisis. He said that despite the serious predicament in which China now finds herself, if we can effect reforms in our political organization and if leaders of the country can sincerely co-operate to cope with the situation, the prospects of the country are by no means pessimistic. Dr. Koo stated that the League of Nations' technical co-operation with China will be continued notwithstanding the Japanese opposition, but he is not certain whether Dr. L. Rajchman will return to China to resume charge of the work here.

The Foreign Office in Nanking, July 16, flatly denied published rumours that Dr. Koo had proposed a Pacific Non-Agression Pact supplementing the Nine Power Treaty. The report stated that the suggestion was made by Dr. Koo to Wang Ching-wei, Minister of Foreign Affairs, but this was denied. A spokesman for the Foreign Office said that Dr. Koo only gave Mr. Wang a general report on the state of affairs in Europe. In this connection, it is learned that Dr. Koo did make the suggestion when interviewed by press representatives upon his arrival in Shanghai. However, the news setting forth his reasons for advocating the pact was censored and suppressed in Shanghai.

With a view to devising concrete measures for the development of the North-west, it is reported that President Wang Ching-wei and General Chiang Kai-shek will make a personal inspection tour of the North-western provinces in the autumn. Their itinerary will take them to the provinces of Shensi, Kansu, Ninghsia and Chinghai (Kokonor).

La Quatorze Juillet—The Real Story of the Taking of the Bastille

The French Community of Shanghai, with the enthusiastic help of the Chinese residents, celebrated the Fourteenth of July on a most elaborate scale. The illuminated arches were nearly all in Chinese style. *Le Journal de Shanghai* issued a special edition, and one of the most interesting articles in it was an account of the taking of the Bastille on said date in the year 1789. The fall of the Bastille has to be taken more for what it typified than what actually occurred. There were only seven people under detention at the time. Two of them were confined because they were demented—nothing to do with politics; one was a member of prominent family who had committed gross brutalities, under sentence of death, but execution delayed out of deference to his family, who were paying for his "keep;" the other four were forgers who had defrauded several bankers. These seven were released and carried on the backs of the mob in triumph. What was supposed to be a steel corset to be used for torture proved to be an old museum piece from the Middle Ages on exhibit there; and what was at the time described as an instrument of torture was later discovered to be a printing press (worked by a lever to secure impression), which had been seized on a raid on a clandestine newspaper establishment several years previously. Of the several hundred in the mob that "took" the Bastille—as a matter of fact it was hardly defended as the garrison was on strike because it had failed to secure its daily supply of provisions—there were hardly any Parisians, but mostly persons from outside stranded in the city—many of them Germans. Society ladies, including a prominent actress from the Comedie Francaise, came in their carriages to witness the "show."

Shanghai Municipality Appeals to Nanking Supreme Court on Extradition Ruling

An appeal has been lodged by the Shanghai Municipal Council with the Supreme Court at Nanking, against a decision by the Second Branch High Court upholding the action of the First Special District Court in the case of Chwang Han-tsang, proprietor of the New World on Bubbling Well Road, who was arrested recently by the Municipal Police on a charge of trafficking in morphine. The arrest was carried out at the request of the Bureau of Public Safety, which acted at the instance of General Chiang Kai-shek. An order for the arrest was issued by General Chiang from his headquarters in Nanchang. Before the First Special District Court, a representative of the Bureau of Public Safety asked for the extradition of the New World proprietor. An order to that effect was made. The S.M.C., in the appeal now lodged with the Supreme Court alleges that the District Court neither examined evidence as to the acts alleged to have been committed by the accused nor investigated as to whether the Bureau of Public Safety was able to produce evidence, simply ruling that the accused be handed over to the procuratorate of the Shanghai District Court to be dealt with.

Dr. C. T. Wang Elected President of Chinese Political and Social Science Assn.

Dr. C. T. Wang, former Minister of Foreign Affairs, was elected president of the Chinese Political and Social Science Association for the next year at the annual meeting of the Association held July 11 in Peiping, presided over by Dr. Hu Shih, the retiring president. The other officers elected were: Roger S. Greene, first vice-president; Y. T. Tsur, second vice-president; Dr. Y. C. Hoo, secretary; and C. G. Danby, treasurer. Dr. J. L. Stuart, president of Yenching University and Vernon Nash of the same university, were elected to the executive council of the association in succession to Mr. Greene and Hardy Jowett, whose terms of office expired this year. Dr. Stuart and Mr. Nash will serve up to June 1937. Owing to his departure from Peiping to join the National Research Academy in Nanking, Dr. V. K. Ting tendered his resignation from the Executive Council. His resignation was accepted and Dr. C. T. Mai of the Chiaotung University and Customs College was elected to succeed Dr. Ting.

Provisional Regulations Formulated for Control of Pilotage in Chinese Waters

A set of provisional regulations governing the control of pilotage in Chinese waters has been formulated by the Ministry of Communications. Copies of the regulations were forwarded to the various foreign consulates during the week through the Ministry of Foreign Affairs. The regulations are to become effective as from September 1, and will remain in force pending the formal taking over of all navigation rights now enjoyed by foreigners in Chinese territorial waters.

Mr. Rogers Finds Americans, Like Chinese, Are Prone to "Save Face"

The following by Will Rogers, American humorist, appeared in the New York Times, June 18.

See where one strike is ended. Nobody won anything, but you always word the agreement in such a way that it looks like both sides gained something.

China (by far the smartest nation in the world) has a word that I don't know how in the world we live without it. It's called "face," "saving face."

We have it just as much as China does, and call it by a hundred other things. But it all gets back to the same thing, "face."

"How can I do nothing and still make it look like I done something?"

Congress would have adjourned Saturday night and the country would have arose Monday morning in the happiest and most optimistic mood, but each Congressman tried to get his pet bill through, so he could go home and "save face."

WILL ROGERS.

Presbyterian Board of Missions Defies Church Ban

An official announcement was issued at Philadelphia, June 17 at the office of the independent board for Presbyterian foreign missions, that at a special meeting of the board, it had ignored the threat made by the 146th General Assembly of the Presbyterian Church last month in Cleveland, Ohio, to "discipline" individual members of the board. Formation of the independent board last winter by a group of Fundamentalists scattered from the Atlantic to the Pacific followed the strife over the fact that the official Board of Foreign Missions of the Presbyterian Church retained as one of its missionaries in China, Mrs. Pearl Buck, author, after her orthodoxy had been disputed, and, when she resigned finally, accepted her resignation "with regret."

Twelve U.S. Navy Seaplanes Start on Flight to Alaska

Twelve of the U. S. Navy's crack seaplanes started from San Diego, July 17 manned by 61 picked officers and enlisted men, on the 7700 mile coastwise flight to Dutch Harbor, Alaska, and return. In the meantime the flight to Alaska by the Army, which was to have started from San Francisco beginning of this month, is held up by the strike.

New Customs Tariff and Cotton Mills in China

BY B. Y. LEE (李炳都)

THE bitter outcry which has been raised by the Chinese Cotton Millowners' Association against the reduction in customs duties on imported cotton piece goods is worthy of careful consideration. Most of the cotton goods imported into China are of Japanese origin, and the new tariff is said to favor the Japanese exporters very much. Generally speaking, if a rate has been reduced from the previous tariff, it concerns articles like dyed and printed muslins, which are mostly imported from Japan. The lower rates on cotton piece goods will mean larger imports, notably from Japan, which will give a deadly blow to the Chinese cotton mill industry.

It is declared that the newly promulgated tariff will put the native cotton mill industry in an extremely precarious position, and the Chinese millowners are facing bankruptcy, due to keen foreign competition. Since its establishment, the National Government at Nanking has repeatedly declared that its policy is to protect and to foster native industrie, and only recently the Ministry of Industries sent representatives to discuss with Chinese cotton millowners measures to relieve their plight, which is on the verge of bankruptcy. How the Government can face squarely the millowners in regard to the new customs tariff, is yet to be seen. And at the same time the Japanese are well pleased with the new customs rates.

Public bodies such as the Shanghai Chinese Chamber of Commerce, the Chinese Cotton Millowners' Association and the Chinese press join in rank and file in demanding the Government for a satisfactory explanation of the contradictory policies which they have adopted. The petition says that any policies of the government should be made open to the public, and that the revised import tariff released for enforcement as from July 1 is entirely unexpected. The Government is suspected to have initiated the new tariff rates on cotton piece goods on account of strong pressure exerted upen it by an outside influence. But there is no ground for the Government to carry out this contradictory policy without consulting the millowners in advance as many of Chinese cotton mills have been forced to stop or curtail operations, due to low price of manufactured products as a result of the economic depression. Taking advantage of the reduced customs rates, the Japanese merchants are joyous over their opportunity and are hasily transporting their goods to China ports, and according to the latest reports, since the enforcement of the new tariff more than thirty tons of cotton piece goods and other goods under the reduced tariff rate list have already arrived in Shanghai. One can readily see how the new tariff will affect the native cotton mill industry.

The following figures show the import of cotton piece goods into China during the past three years :—

	Total import	*Import from Japan*
1931	81,922,000 customs gold units	58,106,000 customs gold units
1932	53,831,000 ,, ,, ,,	33,763,000 ,, ,, ,,
1933	28,060,000 ,, ,, ,,	16,049,000 ,, ,, ,,

We see that contemporaneously with that decline there has been the raising of the tariff, and more particularly the development of the native industry, coupled with the economic depression and bandit outrages in the various parts of the country. The recent development of printing and dyeing of cotton cloth has been very rapid, and at present there are a dozen dyeing and finishing factories in Shanghai, the capital of which is from $50,000 to $500,000 each. This industry is young, and needs government assistance, and instead, the reduction of the customs tariff means a keen competition that the native factory-owners must face. But, according to the statement made by a spokesman of the Ministry of Finance, the reduction of the import duty on cotton piece goods is confined only to printed cloth or yarn-dyed cotton cloth, which are not our country's chief textile product. It does not include the two large divisions—grey cotton cloth and cotton piece goods, white or dyed—so as to safeguard the domestic cotton industry from foreign competition. It is also declared that the revision of the Customs Import Tariff has been effected in order to adapt the import duties to the present economic condition in the country. Between the Government and the cotton millowners there is a hot argument. Kwok Soon, manager of Wing On Cotton Mills, was selected by millowners in Shanghai as their representative, who has gone to Nanking to approach the Nanking officials for modifications of the reduced tariff.

In view of the present stagnation of textile trade, the reduced tariff on cotton piece goods means a great blow to cotton millowners, who are already in financial difficulties, due to high price of raw materials and low price of manufactured goods, particularly of imported varities. Due to the general economic depression, Yung Tsung-ching, popularly known as the cotton mill magnate, is facing financial difficulties. Mr. Yung and his brother are the sole owners of nine large cotton mills in Shanghai and Wusih, and their mills now are in the Chinese bankers' hands and are ready for rehabilitation. Mr. Yung has petitioned the Executive Yuan, the Ministries of Industry and Finance, and the Cotton Control Committee of the National Economic Council for aid. In view of the fact that Mr. Yung's mills substantially affect the economic condition of the country—their annual output being 400,000 bales of cotton yarn, and their employees totalling several hundred thousand —the Government has decided on a readjustment that will ensure their being operated on modern rationalized methods.

The following particulars show the actual condition of cotton mill industry in China :— .

Mills under various management	*Number*	*Spindles*	*Looms*	*Annual production of cloth in pieces*
Chinese	89	2,764,253	21,559	9,548,075
Japanese	41	1,814,824	18,289	8,723,825
British	3	183,196	2,890	1,850,000
Total	123	4,762,273	42,738	20,121,900

No sensible person can deny that the present reduction of customs tariff on cotton piece goods will not materially affect the future of the native cotton mill industry. The dull yarn market means dull piece goods market; the low price of cotton yarn means the low price of cotton piece goods. The cotton mills in China can not stand on their own feet until the piece goods market is firm. Reduced tariffs attract the import of foreign goods sold at a lower price, which, in a vicious circle, wrecks the foundation of the native mills. The Chinese cotton mill industry has passed through the most trying period in its history during the past few years. At present, operations of mills are extremely unfavorable to the owners, and the loss per bale of 20's yarn manufactured is from $15 to $30. In face of the strong Japanese competition, the Chinese mills must seek for some financial assistance from outside. During the past years many effective measures have been adopted by the millowners to cope with the depressed yarn market with a view to relieving the financial position of the millowners, but very little has been accomplished. In recent months many Chinese-owned mills have suspended operations, especially those in the interior. There are practically no effective methods to induce the people to buy the products of the mills as the purchasing power of the masses, particularly the peasant class, is at a very low ebb. As the cotton yarn and cotton cloth are mostly consumed by the peasant and working classes, an immediate revival of the trade can not be expected, unless peace and order are restored in the country, their standard of living is raised, or cheap foreign goods can be prevented entering into China.

The present depression in the yarn and piece goods markets is due to many factors: Bandit activities and communist outrages hinder the normal movement of textile goods into the interior provinces. The purchasing power of the farmers has been considerably reduced with the result that the hand-loom industry has been hard hit. The Japanese competition is largely attributed to the present stagnation of the textile trade. Bandit activities and communist outrages, internal strife, are some of the causes, but these are only temporary factors, which will be wiped out sooner or later. The Japanese elements remain to be solved, and the Chinese millowners must think out some workable plans to compete with the Japanese, otherwise their internal financial difficulties can not be straightened out. The anti-Japanese boycott, once very effective and strong, is practically a thing of the past, and the Japanese goods coming to China have increased greatly since the first quarter of this year. The stock formerly accumulated in the Japanese mills, both in China and in Japan, due to the anti-Japanese boycott activities, is diminishing. Alleviation of the vigorous boycott movement recently in China is largely responsible for the trade situation. For these reasons, the Japanese mills in Shanghai and China as well, are operating to the full extent of their activity, while many Chinese mills either have closed down or have curtailed their operations.

Something must be done and done immediately and effectively in order to uplift the Chinese-owned mills so that in the near future they may be able to compete with the Japanese. Out of the total production of yarn and cotton piece goods in China, the Japanese produce about 40% and 50% respectively. The Japanese mills are progressing by leaps and bounds while the Chinese mills, for various reasons, have lagged far behind. Despite general business depression, the Japanese millowners in China are expanding their activities. The Japanese are looking into the future of the trade, undismayed by the present trade depression. In the past few years, due to anti-Japanese boycott, the Japanese yarn manufactured in China sold at a lower price than that of the Chinese mills; now the demand for the Japanese yarn is increasing, and the price is much higher than that of the Chinese. The Japanese competition comes from two sources; the one is of the products manufactured by Japanese mills in China, and the other is of that purely made in Japan.

Against various odds, the Chinese millowners have fought for their existence without any outside assistance. Before the Japanese entry into the China market and when the size of their units was small, the Chinese millowners were in a strong position; but in recent years, due to various obstacles, they have either to seek for government aid or go into bankruptcy. Between the devil and the deep sea they have approached to work out a practical plan to save the mill industry from going into bankruptcy. The Government thought it was wise and practical to install a cotton industry

committee to handle this delicate problem. Experts along this line of industry have been engaged to devise means to expand the market for cotton goods, to remove all the economic and political obstacles hindering the development of the cotton trade and to formulate practical plans to uplift the domestic cotton mills. Almost a year has elapsed and more than a million dollars has been spent; but the Chinese millowners have received no benefit whatever from the Government, and are in a precarious position, as they always have been during the past few years of the trade depression. The Chinese millowners want their petition to be read and their outcry to be heard and they can do no more. They hope the government will give them a square deal and a fair chance to fight for their existence. Is the present reduced tariff on cotton piece goods a remedy or an obstacle to the Chinese millowners? This remains to be answered.

Shanghai July 17, 1934.

Nanking to Float Bonds to Save Yung Chung-ching Mills

Definite plans have been formulated by the Chinese Government for the taking over, refinancing and reorganization of the many cotton and flour mills in Shanghai belonging to Yung Chung-ching. Bonds amounting to $60,000,000 may have to be floated to save probably the biggest industrial combine in China from going into bankruptcy.

The Ministry of Industry, Ministry of Finance and National Economic Council are holding conferences in the hope that steps can be taken by the Government to reorganize the mills. The Government is taking a serious view of the situation not only because the collapse of these factories will greatly affect the future of China's cotton and flour industries, but also due to the fact that their closing down will throw nearly 300,000 workers out of employment, thus creating a serious labor problem in Shanghai.

According to the finding of a committee of investigation appointed by the Government, the value of both business and personal property of Yung Chung-ching totals $80,000,000. His debt obligations amount to nearly $90,000,000. Certain banks in Shanghai had advanced as much as $50,000,000 to Yung Chung-ching during the past few years to put his factories on their feet, and just before the big crash an additional $5,000,000 was loaned to him. From the $5,000,000 loan, $2,800,000 was paid out immediately to meet urgent debt obligations without anything being done to reorganize these factories. The banks, therefore, withheld the payment of the balance ($2,200,000) believing that it would be a sheer waste of money.

Mr. Yung, who is affiliated with 21 large cotton and flour mills in Shanghai, Wusih, and Hankow, has retired from business life, according to a circular notice in various Chinese newspapers. Wang Yu-ching, Li Sheng-pei, and Loo Fu-jen have been designated to take over his affairs.

N.E.C. to Remit $1,500,000 to Northwest Authorities

In order to relieve the rural districts in the Northwest, it is learned that the National Economic Council at the request of T. V. Soong has raised a sum of $1,500,000 which will be immediately remitted to the Northwestern authorities for rural rehabilitations purposes. In the meantime, it is learned that the China Development Finance Corporation has decided to establish a branch office at Sian with Hsieh Tso-chai, formerly Director of the Consolidated Tax Administration of the Ministry of Finance and now a Director of the Corporation, as manager.

T. V. Soong in an interview at Tsingtao, July 15 said that development of water conservancy is the first step in the Government's program for the reconstruction of the North-west. During his recent investigation tour of the Northwest, Mr. Soong remarked, he paid particular attention to the question of water conservancy in the North-western provinces. As the result of that trip, he is deeply convinced that the opening of irrigation canals is absolutely indispensable for the rehabilitation of the rural districts in the North-west.

All necessary arrangement have been made for the reclamation of waste land in Suiyuan by the families of decrased volunteers who lost their lives to the country in the recent fighting in Manchuria and Jehol. The first area chosen for reclamation is at Linho in Suiyuan and the Ministry of Finance has promiaed to appropriate $50,000 to send 1,000 men to Linho as the first batch of immigrants.

The *Shun Pao* comments:—"We have heard much about the Government's efforts to rehabilitate rural districts, but we have not seen any actual work in that direction. Now that a serious famine threatens, the Government has an excellent chance to subject its rehabilitation plan to a good test. The most expedient way is to exempt the inhabitants of famine-stricken areas from paying regular taxes. This will give the farmers a chance to recover."

Wu Pei-fu Decides to Become an Industrialist

It is stated that the once-powerful warlord, Marshal Wu Pei-fu, has definitely abandoned politics and has decided to become an industrialist. His latest plan is to reclaim waste land in eastern Shantung and to work on the salt fields in that region.

Chambers of Commerce Urge Enactment of Commercial Registration Law

Early enactment of a Commercial Registration Law is urged by the National Associated Chambers of Commerce in a recent petition sent to the Legislative Yuan. In reply to a petition last year urging revision of Article 681 of the Civil Code concerning the liability of partners, it is recalled, the Yuan stated that, following examination of the recommendation by the Civil Law Committee, it was decided that there was no need for the revision of the said Article, but that a Commercial Registration Law would be enacted to meet the various difficulties arising from partnerships. The failure of the Government to enact such a law at an early date, the message observes, would inevitably hamper the commercial development of the country. Before enacting the proposed Law, it is further urged, representatives of the various commercial bodies in the country—such as the Associated Chambers of Commerce as well as the Chambers of Commerce in various places—should be given an opportunity to submit their views on the subject.

In accordance with the joint report of the Ministers of Interior, Finance, Education and Judicial Administration, the Execuituve Yuan, at its 168th meeting adopted the revised measures for imposition of the Title-deeds Tax decided upon at the recent Second National Finance Conference. The measures will serve as a general outline for the imposition of the Titledeeds Tax by the Provincial and Municipal Governments.

At an extraordinary meeting of the Fukien Provincial Government Committee at Foochow July 16 it was decided to reduce the expenses for the civil administration, peace preservation, the judiciary and the police, in view of the deficit in the Provincial Budget.

Conference on Canton-Kowloon Railway Agreement Is Opened

The first official conference between the Chinese and British delegates for the revision of the Canton-Kowloon Railway agreement was opened in Hongkong July 12. The Chinese delegation consists of Chang Wei-tzu, special deputy of the Ministry of Railways, Li Hsien-ken, Managing-Director of the southern section of the Canton-Hankow Railway Administration, Hu Chi-hsien, member of the Kwangtung Provincial Government, and Hu Chao-tung of the Public Works Bureau of the Canton Municipal Government.

The draft agreement of a loan of $16 millions from Shanghai bankers for the completion of the Chekiang-Kiangsi Railway was passed at a meeting of the Board of Directors of the railway administration held at Yushan, on the Chekiang-Kiangsi border, July 11.

The construction work on the Yushan-Nanchang section of the Chekiang-Kiangsi Railway is now in full swing, following an order from General Chiang Kai-shek. The new line is expected to be completed next spring.

Beginning July 15 special reduced rates for transportation of wheat on the Government railways were instituted for three months as a measure of relief for the rural distress.

The first omnibus service in Sian, provincial capital of Shensi, was started July 16. It is operatent by the Shensi Provincial Department of Reconstruction.

By arrangement between the Ministry of Communications and the Chekiang Provincial Government, direct long-distance telephone services between Shanghai and the various districts in Chekiang province was initiated July 15 by the Chekiang Provincial Government.

Preparations are being made by the Ministry of Communications for the inauguration of an ocean-going service by the China Merchants S. N. Co. It is understood that the service to the South Sea Islands will be inaugurated in September next when two steamers ordered from British dockyards will be ready.

British Ex-Civil Service Man to Assist China in Rural Rehabilitation

C. F. Strickland, formerly of the Indian Civil Service, and a brother of the late W. R. Strickland, of the China Salt Gabelle, will leave London for Shanghai on July 26 under the auspices of the Universities of China Committee and the Nanking University, to initiate Rural Co-operative Societies. Mr. Strickland is keen to start radio talks between villages on agricultural and social questions. These have had marked success in India and Palestine. Mr. Strickland will lecture in Nanking and elsewhere, but he aims chiefly at practical work in the villages, and hopes for Chinese volunteers to assist him, as in the famous Tinghsien experiment.

Dr. Sze States China's Case Versus Japan

The following interview with Dr. Sao-ke Alfred Sze, Chinese Minister to the United States, appeared in the Washington Post, Washington, D. C., on June 3 and constituted a reply to recent statements and interviews by Japanese diplomatic officials regarding China and conditions in China. Dr. Sze, who has an A. B. and master's degree from Cornell has served alternately as Minister to Washington and London since 1914. He received his preparatory education at St. John's University and the Central High School in Washington. In the introduction to his interview Dr. Sze declared there was no real danger of China's being won over to Communism, but that Japan as the instigator of the "undeclared" war on China, was responsible for the loss of lives of thousands of Chinese men, women and children. Dr. Sze's interview follows :

"There is a certain amount of unrest at this time ; but there is nothing unusual in this. We know there is unrest in every country of the world now.

"Japan has been declared by the entire world responsible for the undeclared war against China which has now lasted for more than two and a half years, and which has cost the lives of thousands of our men, women and children. At Shanghai without a shadow of reason or right Japan attacked a defenseless city and slaughtered many Chinese, including women and children. China has never disturbed the international peace of the Far East.

"During the first half of the nineteenth century she was a victim of wars against herself waged by Western powers, and, in 1894-95, was forced into a war with Japan. That was a war which Japan desired, and which China did not wish, but could not escape from. Japan fought the Sino-Japanese war of 1894-95 and the Russo-Japanese war of 1904-5. Japan fought in the World War—seizing and retaining Shantung, the territory of her ally in the World War. In the light of the above it requires a high degree of audacity for Japan to assert that to her belongs the mission of maintaining peace in the Far East.

"The truth, of course, is that the Japanese claim is, in reality, a threat not only to China but to all the powers with interests in the Far East—a threat that, unless she is permitted to do whatever her imperialistic policies dictate, she will use force and thus herself break the peace.

"In other words, Japan is willing to maintain the peace in the Far East, but only on condition that her actions, shall not be opposed by others. Any resistance to her will, even by the victims of her aggressions, she attempts to stigmatize as a threat to that peace which she declares herself determined to maintain.

"I have spoken of the audacity of a country setting herself up as the guardian of a peace which, more than any other country, it has broken in the past, and, at the present time, is most seriously threatening. A greater audacity, if that be possible, is that the representative of Japan should refer to the sanctity of treaties, for the fact is that Japan herself represents the supreme example of a country that has had no regard for international engagements—not even for those freely and voluntarily entered into by herself and of the most solemn and important character.

Continues to Pursue Her Illegal Action

"I refer, of course, to the Covenant of the League of Nations, the Kellogg Peace Pact and the Washington Nine Power Treaty. As for her violations of assurances given to the Council of the League of Nations and to individual powers, they are almost without number. In this connection let this fact be noted, that Japan is the only country in history which has been unanimously and formally found guilty as the violater of treaties by all the other countries of the world, and, at the present time, in spite of this universal condemnation, is continuing to pursue her illegal and immoral lines of action.

"Japan claims that she is a misunderstood country. It is, indeed, difficult to understand how a people that claims to be at all civilized can be so utterly disregardful of the elementary principles of right and justice.

"Japan has taken frequent occasion to refer to political conditions in China. She has, however, taken care not to refer to the situation in her own country, where express legal provision has been made for the freedom of her military forces from control by the civil authorities. In every other constitutionally organized country of the world it has been deemed to be of primary and indispensable importance that the military forces should be subordinate to the civil authorities.

"Thus again, Japan furnishes to the world a unique, but not an admirable, example. One thing is certain, and that is, that despite her assurances, Japan does not want China to become a prosperous and politically unified country, and, if we may judge by what has repeatedly happened in the past, she will do what she can to prevent this from being realized.

"As regards Japan's opium policy in Manchuria, I quote from the well informed correspondent of the London *Times*, printed in that newspaper April 24 last :

" 'The fifth annual report for 1933 on the illicit drug traffic by Russell Pasha, the chief of the Cairene police and director of the Central Narcotic Intelligence Bureau, which has just been published, gives, as usual, a valuable survey of the progress of the international fight against the drug danger. It shows that in Europe illegal manufacture of drugs has been almost stamped out, and that the traffic has largely been brought under control.

" 'A fresh danger, however, is growing up in the Far East, where, under the present regime in Manchuria, a new field of drug traffic is being opened up which may, in due course, menace the whole world. What appears to be a government opium monopoly,' the report says, 'is functioning in Manchuria, and this encourages the growth of the local product and the import of Persian opium.

" 'The probable consequences of such development, if not checked, are only too clear.' This makes it plain as to what nation is now the leader in the development of the narcotic traffic through the world," said Minister Sze.

Regarding the statement by Ambassador Saito, as reported in the interview in the *Washington* Post, that there is "entire freedom of the press" in Japan, Dr. Sze said :

"What can one say of freedom of speech in Japan when we see a professor of law in the Kyoto Imperial University of Japan dismissed from his position simply for expressing the iunversally accepted view of criminologists that crime originates from defects in society, and that crime will not diminish until the existing social structure is changed ; that crime, like poverty, disease, unemployment and prostitution, is the result of defects in society. (See *Contemporary Japan*, September, 1933, p. 327, a journal published by Japanese in Tokyo.)

"Mr. Saito says that there is little crime in Japan and that crime is dealt with 'promptly and severely.' Were the assassins of May 15, 1932, so dealt with? Were those who murdered hundreds of Koreans and Chinese in 1923 so dealt with? Were those who murdered Chinese in Korea in 1931 so dealt with?

"The United States represents the working out of the problem of popular government upon the largest scale known to history, and has had a longer experience than any other now existing popular government. The United States is the chief example of the state operating under a written constitution—'a government of laws and not of men.'

"For these reasons it was but natural that China, when seeking to establish a government founded upon the will of the people, should turn to the United States for inspiration. To such an extent has the United States influenced educational reform in China, that this was the point most strongly emphasized by the commission of the League of Nations which visited China in order to study her educational system and to suggest improvements.

"The Christian missionaries from the United States have had greater influence in China than those from other countries. There is a greater number of students in the colleges and universities in the United States from China than in any other Western country."

Municipal Police Alleged to Use Electric Torture to Secure Evidence

A medical certificate issued by the Chenju Judicial Medical Institute of the Ministry of Justice over a quantity of blood allegedly taken from Tsai Yang-che, complainant in a private prosecution against Chinese Detective Long Tso-yin of the Municipal Police, on charges of third degree atrocities, supports the charge made by Tsai that he was given an "electric massage" and "cold water treatment" as he claimed. Cold water was pumped into his mouth and nostrils to extract his confession as a robber, Tsai had previously declared. The Shanghai Chinese Bar Association July 12 suggested to the Court a set of measures to stop the practice of electric torture which the Municipal Police are alleged to have employed. Statements extracted from arrested persons at the police stations before their arraignment should be completely ignored, the association declared. The association also urged the court to give no special privileges to the municipal advocates, who now occupy special seats in the courts.

Japanese Minister Belittles Idea of a Canal Through Siam

When Y. Yatabe, the Japanese Minister to Siam, was interviewed at Singapore July 5 he said feeling in Japan was growing against a world that tended to shut out Japan. Questioned about the rumors that, with the financial assistance of his country, Siam intended to construct a canal through the Kra Peninsula, Mr. Yatabe expressed doubt that Japanese outside Siam had ever heard of the place. Despite Mr. Yatabe's assertion, however, there is fairly well-grounded suspicion that the Japanese have just such a scheme afoot to spring on the world at the appropriate moment. It may incidentally be said that the building of such a canal is the logical thing to do. The only question that arises is : When and by whom is it to be done?

The New Tariff and Its Effects

BY PAUL K. WHANG (汪 仲 芳)

WITHOUT firing a bullet, the Japanese, so to speak, have scored another victory over the Chinese. This time, the victory is even more overwhelming, inasmuch as the concessions they have successfully exacted from the Chinese Government will eventually lead to the realization of their long cherished dream of creating an economic hegemony over China. By virtue of these concessions, they can be in a better position to dump their cheap products on the Chinese market, to undersell the American and European products, and to stifle the growth of China's infant industries. This economic penetration, a forerunner to military conquest, has already started its big strides, and the goal which it is intended to reach is nothing short of converting China into a dependency of the Japanese Empire.

In face of this new Japanese aggressions, we are still pursuing our proverbial policy of non resistance. Our pro-Japanese officials have now been running the whole show of our government, and have signed away our birthrights and made concessions at the behest of astute Japanese militarists and diplomats. They have posed themselves as heroes of the day, and have made us believe that their services are indispensable to the country at this time of national crisis. In their eagerness to please the Japanese, they are ready to sell their country at a price, of which they can claim a share.

Pro-Japanese Officials Make Country Ridiculous

These pro-Japanese officials have made us ridiculous in the eyes of the world by surrendering ourselves abjectly to the Japanese, and led us to fall into the trap set by the Japanese diplomats in the form of "waterfowl" policy. We have literally given a tacit recognition to the Japanese puppet state by agreeing to the through traffic on the Peiping-Mukden Railway. And we have also given a helping hand to the Japanese in creating economic hegemony in our country by reducing tariffs on Japanese goods. It is really paradoxical that while we ourselves have accorded a tacit recognition to "Manchukuo," we, nevertheless, should protest against El Salvador's recognition of "Manchukuo" and impose a postal ban on *Oriental Affairs* because its editor holds a view sympathetic with the Japanese cause and urges the early recognition of the Japanese puppet state.

While we have no mind on this occasion to delve into the problem of the resumption of the through traffic on the Peiping-Mukden Railway which has already become a fait accompli, we, however, can not ignore the pernicious effects resulting from the newly revised Customs import tariff. To those who have closely watched the recent government policy toward the Sino-Japanese problems, the new tariff schedules providing a general decrease in the import duties on cotton goods, paper and fishery products should occasion us no surprise, as it has been generally known that the Japanese have long exerted their influence on the Chinese officials to have the tariff rates revised in their favour. The great discrimination made between the Japanese products and those of other origins in the new tariff supplies us another eloquent proof that our government is now completely living under the mercy of the Japanese.

The fact that the Ministry of Finance has deferred the publication of the revised tariff until a few days prior to its enforcement on July 3rd speaks of the guilty conscience on the part of government officials. They have not been oblivious of the fact that the new tariff would draw fire from Chinese business circles and give rise to a sense of great resentment among the populace. Conscience has therefore made them cowards, hence the delay in making known to the public the new rates. In another sense, the delay in publishing the revised schedules can be said as a tactics employed by the government officials in forestalling any organized opposition put up by the Chinese business men before their enforcement.

In their catering to the Japanese, our pro-Japanese officials will very likely forfeit our friendship with other Powers. In the new tariff, if a rate has been increased, it concerns articles mostly imported from the Western world and particularly from the United States; and if a rate has been reduced from the previous tariff, it concerns articles which are mostly imported from Japan. This discrimination has been carried to the point of ridicule in the category of fishery products, wherein those coming from Japan have been generally reduced, while those, salmon for example, which come from the United States, Canada and Russia have been increased.

Why should we revise our tariff to the favor of the Japanese at the expenses of Americans and Europeans? Have we forgot our lost territories and other humiliations at the hands of the Japanese? Is it right that we should penalize our friends so that we can compensate our enemy? The new tariff is indeed a Japanese tariff, because its revision is made according to the Japanese wish and under the dictates of Japanese officials. We have by our own hands cut a sorry figure before the world, and by our commissions and omissions hvae forfeited the sympathy of the friendly Powers.

In meeting the Japanese wish, our pro-Japanese officials have also forgotten the interests of our domestic industries. That the new tariff will deal a hard blow to the cotton and paper industries goes without saying. Our cotton mill owners are already in a bankrupt state as a result of the severe Japanese competition. They will have no other recourse but to close down their mills when they find that the import duties on Japanese cotton goods have been greatly reduced and those on raw cotton have been increased by nearly 40%. Likewise, the reduction of import duties on paper would undoubtedly nip the upward trend of the native paper industry in the bud. Therefore it is only natural that the Chinese cotton mill and paper mill owners should start a major agitation against the newly enforced revised tariff schedules.

In defence of the new tariff, a spokesman of the Ministry of Finance has been quoted as saying that as long as the Chinese cotton mills not do reform, no matter what kind of protective tariff may be devised it will not be able to save them. To justify his argument, he stated that the cost of the production of one 420 lb. bale of 20 counts cotton yarn in Japan or in the Japanese mills in China is between $20 and $25, but due to inefficient management, high interests to be paid for the use of money from the local banks and other unfavorable circumstances, the cost in Chinese mills comes to $45 or in some cases even to $60.

Lack of Government Support

It is true that the Chinese cotton mill owners are slow in taking up reforms to reduce the cost of their production, but it must be noted that the reason responsible for this slow improvement is principally due to the lack of government support. The official in question has failed to mention that cotton goods, white or dved, that are manufactured in Japan, have been given special protection by the Japanese Government. It is said that the Japnaese Government, for the purpose of facilitating the Japanese merchants to carry on their business, arranges a six month credit for them who purchase cotton either from India or America and charges a very small rate of interset, exempts the payment of import duties on such cotton, and reduces the railway freights for the transportation of cotton into the interior of Japan for manufacturing purposes.

Has our government ever given such protection and incentives to our cotton weaving interests? During the past decade, because of the political instability, high taxation, labor unrest and Japanese competition, the cotton mill owners have really had great difficulty in continuing their operations. As a result, many of the Chinese-owned cotton mills have been either closed down or changed into Japanese hands. In order to develop our cotton industry, not only should our government build up a high tariff wall for the purpose of protection, but it should also follow the example of the Japanese Government in giving facilities to the Chinese cotton mill owners.

To justify the reduced tariff on paper, another official of the Ministry of Finance contended that "since there are no large paper mills in the country, the reduction of the import duty on foreign paper is perfectly warranted, as it will indirectly reduce the cost of books." The fallacy of this argument is also obvious. According to the petition of the Paper Owners' Association, only 20% of the imported paper is for the making of books, and therefore the reduction of the import duties on foreign paper can not reduce the cost of books. The fact that we have no large paper mills in this country will convince us all the more that we should maintain a high tariff wall against foreign paper, so that this incentive will encourage our paper mill owners to build up large paper mills.

While the paper industry is admitted to be yet in an infant stage, our cotton industry has already had a very long standing. It is said that the total investment in Chinese cotton mills is $150,000,000 and that the mills employ more than 800,000 people. The government is said to have received an income of over $10 millions annually from taxation on the domestic cotton mills. Therefore for the sake of preserving our friendship with the United States and European Powers and upholding our domestic industries, the government should reconsider the new tariff and remove all its objectionable features.

Shanghai July 16, 1934.

CHINESE RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
20.45	21.25	PUKOW	1.20	1.40
16.54	16.57	LINHUAIKWAN	5.40	5.43
16.04	16.19	PENGPU	6.19	6.34
13.52	13.57	NANHSUCHOW	8.45	8.50
11.50	12.05	HSUCHOWFU	10.50	11.10
10.02	10.17	LINCHENG	13.00	13.15
9.13	9.16	TENGHSIEN	14.06	14.09
7.40	7.55	YENCHOWFU	15.36	15.56
7.15	7.18	CHUFOU	16.21	16.24
5.34	5.42	TAIANFU	18.05	18.20
3.25	3.45	TSINANFU	20.12	20.42
2.03	2.13	YUCHENGHSIEN	22.05	22.15
0.24	0.39	TECHOW	23.55	0.25
22.37	22.47	POTOUCHEN	2.12	2.22
21.36	21.46	TSANCHOW	3.16	3.29
18.30	18.40	TIENTSIN (C)	6.40	7.00
17.59	18.20	TIENTSIN (E)	7.10	7.35
—	15.05	PEIPING	10.29	—

PEIPING-HANKOW RAILWAY.

14.05	PEIPING	22.00
13.27	CHANGSINTIEN	22.48
9.54	PAOTUNG	2.23
5.50	SHIHCHIACHWANG	6.28
2.19	SHUNTEH	10.01
19.27	SINSIANG	16.45
16.43	CHENGCHOW	19.26
13.59	HSUCHOW	22.08
12.16	YENCHENG	23.51
9.58	CHUMATIEN	2.34
6.10	SINYANG	6.01
3.36	KWANGSHUI	8.36
22.45	KIANG AN	13.15
22.30	HANKOW (Tachimen)	13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
9.36	—	HSICHIMEN	—	16.48
8.06	8.16	NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO	19.58	—

LUNGHAI RAILWAY.

6.15	—	HSUCHOWFU	—	21.10
0.57	1.17	SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.53	13.23
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.06	5.16	KAOMI	23.19	23.30
3.26	3.41	FENGTZU	1.01	1.16
3.03	3.05	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
28.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	—	7.58
18.14	18.16	TSINGCHINGHSIEN	9.27	9.29
16.00	16.15	YANGCHUAN	11.47	12.01
14.48	14.50	SHOUYANGHSIEN	13.50	13.52
12.40	12.49	YUCHIHSIEN	15.25	15.35
—	12.08	TAIYUANFU	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	7.45	17.30	SHANGHAI, N.	d.	7.50	15.00
HANGCHOW	d.	8.15	17.55	JESSFIELD	d.	8.07	15.17
CHANGAN	d.	9.06	18.53	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.25	SHANGHAI, S.	d.	7.55	—
KASHING	d.	10.17	20.05	SUNGKIANG	d.	9.05	16.05
KASHAI	d.	—	20.31	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	9.51	—
SUNGKIANG	d.	11.25	21.20	KASHING	d.	10.25	17.20
SHANGHAI, S.	a.	—	22.25	YEHZAH	d.	11.01	—
SICCAWEI	d.	—	—	CHANGAN	d.	11.34	18.25
JESSFIELD	d.	12.11	22.16	HANGCHOW	d.	12.31	19.20
SHANGHAI, N.	a.	12.25	22.30	ZAHKOU	a.	12.50	19.35

NANKING-SHANGHAI LINE.

STATIONS UP		Express R.	Thro. Exp. Zku-Nkg R.	S'hai-Peiping Thro. Exp. (No. 302) R.S.	Night Express R. S.
SHANGHAI, N.	d.	8.00	13.00	16.05	23.00
NANSIANG	d.	—	—	—	23.33
KUNSHAN	d.	9.05	14.15	—	—
SOOCHOW	d.	9.50	15.00	18.04	1.13
WUSIH	d.	10.41	15.51	18.55	2.13
CHANGCHOW	d.	11.45	16.45	19.53	3.13
TANYANG	d.	12.33	17.36	20.48	4.23
CHINKIANG	d.	13.16	18.20	21.34	5.14
NANKING	a.	14.30	19.35	22.55	7.00

STATIONS DOWN		Thro. Exp. R. Nkg-Zku	Express R.	Night Express R. S.	Peiping-S'hai Thro. Exp. (No. 301) R.S.
NANKING	d.	8.00	17.00	23.00	24.00
CHINKIANG	d.	9.25	18.25	1.00	1.54
TANYANG	d.	10.07	19.05	1.52	2.43
CHANGCHOW	d.	11.01	20.00	3.05	3.51
WUSIH	d.	11.52	20.55	4.07	4.48
SOOCHOW	d.	12.47	21.50	5.13	5.52
KUNSHAN	d.	13.26	—	—	—
NANSIANG	d.	—	—	6.54	—
SHANGHAI, N.	a.	14.25	23.30	7.20	7.55

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

   1st class passenger ..... 80 kilogrammes (142 catties)
   2nd class passenger ..... 60 Kilogrammes (100.5 catties)
   3rd class passenger ..... 40 Kilogrammes (67 catties)

   Half of these quantities will be allowed on each child's half ticket of each class respectively.
3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

The Five-Power System on Trial---The Impeachment of the Railway Minister

BY C. Y. W. MENG (孟 長 泳)

THE constitutions of western countries provide for a 3-power system, namely, the executive, legislative and judicial. By the principle of the separation of powers, these departments are practically independent of each other. We hear very much about the "independence of the judiciary" in the West. That is to say, in administering justice, the courts should be free from all interference from the executive or legislative.

Dr. Sun Yat-sen, the founder of the Republic, in discussing the constitutional developments in America and Great Britain always expressed his dissatisfaction over the division of the governmental departments, and always advocated that the powers of impeachment and the examination should be taken away from the legislative and executive respectively, and be made "independent," thus creating what is known as the "5-Power System" in China, namely, the Executive, Legislative, Judicial, Examination and Control (or supervisory). Our founder's idea was apparently to enable the "censors" to exercise the power of impeachment free from all prejudices, and subject to no interference from any source, just as the judges do. Needless for us to conclude that the innovation is a valuable contribution to political science, and represents a remarkable advancement in the constitional developments in the modern world.

But according to the Chinese political system, the power of impeachment had already been made independent from other powers. From early times, side by side with the powers of the kings, which would include the executive, legislative and judicial, there was the power of impeachment exercised by the officials. In the Tang Dynasty, there were Kan Yi Tai Fu (諫議大夫). In the Manchu regime, there were the Yu Shih (御史). The duties of these officials were to bring up impeachment against the kings when the latter did wrong. Many of these officials were brave enough to preach what was right before the mighty kings. The system, which served a great purpose, came into existence and was already separated from the executive and other department, even in early days in China.

Ku Chu-tung Case

Since the establishment of the Control Yuan, its usefulness as well as its workableness and efficiency has undergone many trials, and we may mention some of them.

General Ku Chu-tung was once the chairman of the Kiangsu Provincial Government. Due to the editorial comments which General Ku considered unfavorable and disagreeable, he ordered the editor of the *Sing Kiang Pao* to be shot without due process of law. The Control Yuan at once brought up the impeachment against the general. But we heard nothing afterward.

Chang Hsueh-liang Case

Due to his unpreparedness and the so called "non-resistance" policy, three of China's biggest provinces were lost to Japan in rapid succession. The Control Yuan also brought an impeachment against the General. But we heard nothing afterwards.

Since then the work of the Control Yuan has been confined chiefly to the impeachment of magistrates, but not other high officials, so much of its usefulness has been lost, and some extreme critics proposed that the Control Yuan might well be abolished.

There are many reasons for the failure, the chief of which, of course, is the fact that due to the prominent position the officials were occupying, the Control Yuan was hopeless in carrying through the impeachment proceedings. Secondly, with a desire to avoid the possible political crisis during these eventful days, the Control Yuan was willing to drop many of the impeachment cases at request.

Ku Meng-yu Case

But to the surprise of all, some members of the Control Yuan were brave enough to bring up an impeachment against Ku Meng-Yu, the Minister of Railways. As the story of the impeachment was given in last issues of the *Review*, we are not going to repeat it here. But there are points which should have our attention.

Right after the issuance of the statement of impeachment by the Control Yuan, Mr. Ku also issued a statement refuting the points contained in the former's statement. But the members of the Control Yuan said that Mr. Ku was quite wrong in issuing a statement pending the investigation by the government, and further accused him as "setting up impediments to the exercise of the power of impeachment by the Control Yuan directly," and "causing the breakdown of the 5-power system indirectly."

Following that, the member of the Control Yuan who was responsible for bringing up the impeachment was in receipt of a "threatening letter" including a bullet from some unknown sender.

Executive Interference Regretted—Political Crisis Predicted

But something far more interesting than this is that in the meeting of the C.P.C. (Central Political Council of the Kuomintang), the question of the impeachment of Mr. Ku was said to have been brought up for discussion, and in the course of discussion, Wang Ching-wei, President of the Executive Yuan, was said to have got very hot and to have bitterly scolded, (incidentally using very insulting words,) the members of the Control Yuan, and the *Central Daily News*, for having published the news of the impeachment, and certain "tangpu" (Kuomintang local headquarters) for having petitioned the Government demanding the punishment of the Minister of Railways, etc. On the next day, we see the editor of the *Central Daily News* tendered his resignation. The paper which published the news about Mr. Wang's speech in the C. P. C. meeting was punished by one-day suspension from publication. On the following days, we could not find any more news about the impending impeachment of the Minister of Railways, or the conflict between the Executive and Control Yuans.

What action the Control Yuan will take, it is hard to say at present. Whether these "censors" will resign en bloc as a protest, or will virtually let the power of impeachment be interfered with by other departments or the power of impeachment be modified, or they will "fight" on for the "independence" of the power of impeachment and the "integrity" of the Control Yuan, we do not know yet. An urgent meeting was said to have been held in the Control Yuan, and four of the members had already gone to Shanghai to make a report to Yu Yu-ing, the President of the Control Yuan, who is now recuperating in Shanghai. But much can be said that the impeachment of Mr. Ku has created a great sensation in the Capital, and that if the situation is well handled, it might precipitate a political crisis.

C.P.C. Action Criticized—Publicity of Impeachment Restricted

At the instance of some standing committee members of the C.P.C., some resolutions were adopted at the meeting. It was decided that thereafer the original text of the impeachment and the reply to the impeachment and other important information about the impeachment could be made public only when the proper authority to which the impeachment has been referred has decided upon the date of publication. Hereafter, the C.P.C. would have the right to "re-examine" the officials who had been punished because of their alleged misconduct, etc.

Such is the counter-action or re-action of the C.P.C. and other high officials to the impeachment brought up by the Control Yuan against one of the high officials in the Government!

China is now adopting the 5-Power System, as formulated by our late leader. It is then up to his followers to do what they can to prove that the new Chinese political system is workable and efficient, and that it is the duty of the Kuomintang leaders and government officials to enforce the system as rigidly as possible. By separating it from the legislature, and by making it as one of the independent departments in the government, the sole aim is, as is the case with the independence of the judiciary, to enable the Control Yuan to exercise the power of impeachment, subject to no interference from any other departments or people. In view of the rampamt corruption in Chinese official circles, the establishment of an independent organ whose sole duty is to impeach the corrupt officials and to act as "censors" or "supervisors," according to the Chinese terminology, of the other officials, is always considered as timely, and would serve a great purpose in improving the political situation in the country.

The present impeachment proceeding is brought against one of the high officials in the executive department of the Government, hence, it is entirely unnecessary for Wang Ching-wei, as the president of the Executive Yuan, to speak a word for his cabinet minister, pending the investigation and findings by the Government, not to speak of openly scolding the members of the Control Yuan, and proposing and imposing other regulations to restrict the publicity of the impeachment proceedings, etc. Such action amounts to nothing short of interference with the exercise of the power of

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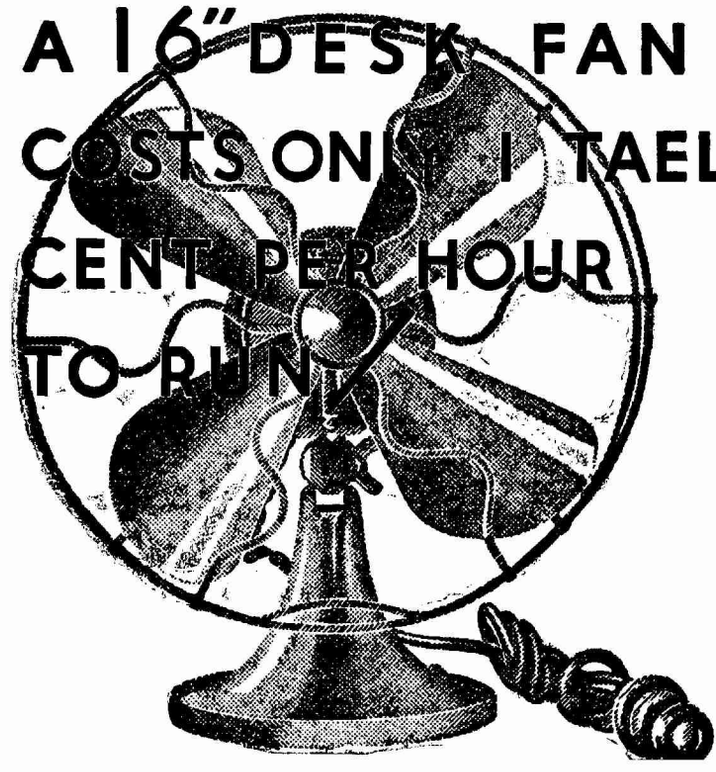

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impeachment by the "Censors" by the Executive. From the standpoint of the Ministry of Railways, the first thing they should do is not to issue the reply but to publish the agreements made between the Ministry and the French interests in question in order to prove that there is no truth in the impeachment statement.

The addition of more provisions to the impeachment procedure by the C.P.C. is also unnessceary, for the simple reason that if the date of publishing the impeachment statement could only be decided by the proper authority but not the Control Yuan, we are afraid that many of the impeachments of the high officials would be impossible hereafter, for the officials could easily exercise impeachments cancelled before they became known to the public, and of which the public would never have any knowledge. Such action does not tend to develop and preserve the "independence" of the impeachment system, or to put it in other words, the development of the 5-power system, but on the contrary, it is only an impediment set up to retard its development.

Railway Ministry's Action Demanded

Recently, the Ministry of Railways and others were said to have been instructed by the Executive Yuan to get into touch with the foreign interests for the "liquidation" of outstanding debts, and the Ministry of Railways is said to have made some definite arrangement with some foreign firms but the Ministry is most reticent in telling us what the arrangement is about, when being interviewed. There are also rumors in circulation that some of the railway development in Shansi Province is being financed secretly by the Japanese through the German companies, and that the present impeachment proceeding against the Minister of Railways has some indirect connection with the matter, etc. But we, the outsiders, could not know the real "ins and outs" of the matter. So it is far better for the Ministry of Railways to make clear its stand, and to clarify all the rumors, rather than engaging themselves in arguing with the "censors" of the Control Yuan.

Five-Power System on Trial—How to Adjust the Executive-Censors Conflict?

Under the 3-power system, there is always the conflict between the Executive and the Legislaitve, and most constitutions or the traditional customs of the country provide some adequate way out of the impasse, either by giving the right to the executive to dissolve the legislative body and appeal to the electorate for action, or by tendering wholesale resignation themselves; or by awaiting for the next election campaign. Under the 5-power system, there is not only a conflict between the executive and legislative, but there may be conflict between the executive and the "censors." The present impeachment proceeding against Mr. Ku has now developed into conflict between the executive and the censors—the first conflict of this kind since the establishment of the 5-power government in China. But we are anxious to know how the conflict may be adjusted: Whether the executive gives way to the censors, or the latter gives way to the former; or the matter be referred to the plenary session of the Central Executive Committee meeting for decision? Be it one way or the other, what we want to say is that in view of the fact that such conflict is quite inevitable, it is advisable for the Chinese permanent constitution, which is now being drafted, to provide some adequate method of adjustment of such conflict.

Under the 5-power system, all treaties, agreements, etc., made between China and foreign powers should be submitted to the Legislative Yuan for approval. But now, it has become a practice that such approval is no longer necessary just by treating such treaties, agreements, etc., as "local matter" only, as witness the signing of the "Shanghai Armistice Agreement," the "Tangku Agreement," the "Sino-Japanese Agreement on the Through Rail Traffice between Peiping and Mukden," etc., without the approval of the Legislative Yuan. Under the same system, the power of impeachment is being made one of the independent departments in the Government. But now, in case of the impeachment of high officials, the Control Yuan is no longer free from interference, and the so-called highest organ could pass resolutions, at any time, at will, which has the very effect of retarding the preservation, progress and development of the "independence" of the power of impeachment. China's well-wishers, as well as those who are anxious to see the successful adoption of the 5-power constitution in China, could not but heave a sigh when such undesirable happenings occur, which do not give us a hopeful sign of the development of the 5-power constitution in China.

Nanking, July 15, 1934.

Japanese Army and Navy Demand Total Appropriations of More Than One Billion Yen

The Japanese Navy estimates next year are likely to contain appropriations of Yen 650,000,000 and the Army over Yen 500,000,000. Provision will be made for the organization of additional naval air squadrons and for the replacement program of the Army and Air Force. Yen 250,000,000 is earmarked for new demands.

Discussing the financial position of the Japanese government the *Asahi* July 9 stated: "Under Mr. Takahashi, national expenditure increased with leaps and bounds. His was a policy of unqualified inflation, which appeared reckless, judged by the criterion of normal finance. The deficit-covering loans issued by the Government during the past two years amounted to nearly Yen 2,000,000,000. This is inflation of the worst sort. It has clouded the financial future. It is unthinkable that financial circles should be desirous of seeing the perpetuation of a policy which has brought so many financial ills to the nation. Enthusiasts of the Takahashi finance policy speak of the excessive expenditure for the maintenance of national defense which would have resulted had Mr. Takahashi not been in the Finance Office. It is obvious that they do not know what they are talking about. The defense expenditure in 1931, the year before Mr. Takahashi was called to the post of Finance Minister, was Yen 454,000,000. The next year saw an increase in military expenditure to Yen 698,000,000. The current budget has an appropriation of Yen 936,000,000 for the fighting services. We do not say that the mounting military expenditure is not warranted. The international situation of the country necessitated it. But this shows how false is the position of those who praise Mr. Takahashi and the courage with which he checked the military in their demands."

Mr. Fujii, the new Finance Minister, is quoted by the *Asahi* as saying that he has no intention of increasing taxes immediately. He is sensible of the very weighty responsibility resting on him, he says, in assuming the portfolio of Finance at a time when the country is beset by many difficult problems at home and abroad. The financial and economic policy he is going to adopt is practically the same as that followed by the former Cabinet. In other words, he will succeed to what is called Takahashi finance.

New Finance Minister Is a Protege of Mr. Takahashi

Sadanobu Fujii, the Finance Minister in the Okada Cabinet is a protege of the former Finance Minister, Mr. Takahashi. In recommending Mr. Fujii to the post, Mr. Takahashi pledged Admiral Okada to support him directly as well as indirectly. The new Finance Minister has scant outright experience in financial affairs and banking administration. Therefore, in regard to important policies concerning currency, exchange and bond problems, Mr. Fujii is expected to seek Mr. Takahashi's advice. Financial circles are looking to Mr. Fujii to maintain as much as possible Takahashi financing. The *Yomiuri* commented: "Nobody knows exactly yet the political ability of Mr. Fujii, as he was promoted from a bureau director to Vice-Finance Minister and then to the past of Finance within the considerably brief period of 50 days. He was able to display freely his his financial ability, when serving under Mr. Takahashi, but as he takes up a position as important as that of Finance Minister, it is problematical whether he can stand as firmly against other Cabinet Ministers as Mr. Takahashi did in the matter of appropriation demands."

Minseito Supports New Cabinet

In a series of speeches at a party rally in Tokyo July 14 leaders of the Minseito, second largest political organization in Japan, virtually pledged their support to the new cabinet under Admiral Keisuke Okada. Members of the party loudly applauded Baron Wakatsuki, president, and Genji Maisada, minister of education, and Chuji Machida, minister of commerce and industry, in the new government. Meantime, the Seiyukai is trying to force the Okada cabinet to hold an extraordinary session of the Diet. Should the cabinet accept the challenge, observers hold that the dissolution of the Lower House and ensuing general elections are unavoidable. Admiral Osumi stated after a meeting of the Cabinet July 14 that in a general way the foreign and naval policies of the Saito cabinet were approved. Under the terms of the program approved, Japanese foreign policy is to be one of conciliation "with the object of world peace in view," while naval matters should be dictated by the principle of "sufficient strength to resist foreign oppression and prevent insult to the nation's prestige, but within the limitations of national strength,

The ranks of the Seiyukai Party are being rapidly thinned and there is even talk that it may disband. The Party July 14 expelled Nariaki Haruna from the party because he accepted the position of secretary to the Minister of Communications, Takejiro Tokonami. Three Seiyukai leaders, including T. Tokonami were expelled from the party when they accepted portfolios in the new Okada Cabinet.

Comments by the Japanese Press

Hochi July 7:—"Though Admiral Okada has been asked to form a new Cabinet, it still is a fact that the Nation is uncertain as to what policy the new Cobinet will possibly adopt, a fact regrettable from the standpoint of constitutionalism. Actual events indicate that Cabinet making is taking a disagreeable turn. While raising high the standard of a national Cabinet, the organizer of the Cabinet is trying to make the political parties simply do his bidding, without even saying what the guiding policy of the new Cabinet will be."

Osaka Mainichi July 7:—"If the Osaka Cabinet is nothing more than an extension of the Saito Ministry, as many seem to believe, the present Ministerial change is meaningless. Any abrupt change of policies under any circumstances is undesirable, but in view of the possibility of facing developments of the situation, the new Cabinet should be ready with some new policies."

Yomiuri, July 7:—"Since the downfall of party government the established practice of publishing policies upon formation of any new Ministry has become slighted. This seems to be especially the case with the Okada Cabinet. At the time of the Saito Ministry's formation, people could rest assured of the Government policies since the Cabinet was formed with well known statesmen as the central influence. In the present instance of the Okada Ministry, however, the situation is different. If Admiral Okada's recommendation to the Premiership was made with a view to the approaching naval conference, people cannot be at ease in view of the fact that the Admiral was not any determined supporter of the anti-London Treaty cause which is now popular."

Mr. Hirota Will Follow Traditional Japanese Policy

K. Hirota, Minister for Foreign Affairs, is stated to be carefully studying his policy, which will be the most important part of the Government program. It is reported, on apparently reliable authority, that Mr. Hirota's policy will be:

(1) Japan will adhere to her original insistence upon revision of the existing "unfair" naval disarmament treaties, demanding abolition of the ratio policy and absolute national security. Japan's decision to this effect is so firm that she does not care whether it precipitates the failure of the 1935 Naval Disarmament Conference as the result of opposition by other powers.

(2) As to Japan's policy towards Manchukuo, Mr. Hirota agrees upon the proposed simplification of the present Japanese administrative system in Manchuria, although he does not recognize the Army's reorganization plan in its entirety.

(3) Japan will assist Manchukuo in the latter's efforts to bring about abolition of extraterritoriality.

(4) The Government will further study Japan's trade policy toward Manchukuo and will try to strengthen the world market for Japanese goods by co-operating with other nations.

(5) The Government will respect the principle of equal opportunity in trade with Manchukuo.

Premier Okada called on Viscount Saito, former Premier Korekiyo Takahashi, former Minister of Finance, and, Baron Yamamoto former Home Minister, at their respective residences July 11 when, it is understood, Admiral Okada asked his predecessors for support to tide over the difficulties faced by the Cabinet.

The Japanese Foreign Office, it is intimated, will present estimates totalling Yen 40,000,000, half of which will consist of new demands. Legations are to be established in Egypt, the Union of South Africa, while three consulates will be added to those now in Manchukuo. Trade commissioners will be increased, while the activities of the Trade Research Council, a Foreign Office organization, will be increased.

Leaders of the Naval Ministry and officers of the Navy met Jnly 16 to discuss details of Japan's policy at the 1935 Conference. After lengthy discussion, the conferees agreed to submit the follwing points as Japan's fundamental naval policy:

(1) Abolition of the present naval ratios.

(2) Establishment of national defence autonomy.

(3) Revision of existing unfavorable treaties.

(4) Conclusion of a new treaty by which countries with large naval armaments will agree to substantial reductions.

Admiral Ohsumi recommended that Navy officers and officials united in a request to Premier Okada for adoption of the following policies:

(1) Recovery of national defence autonomy and withdrawal from unfavorable treaties during the forthcoming naval conferences.

(2) Establishment of a firm policy regarding Manchukuo.

(3) Retention of the Japanese mandated islands in the South Pacific ocean.

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British Protest Vainly Against Closing of Antung

In the House of Commons July 10 Sir John Simon, Secretary of State for Foreign Affairs, announced that Sir Robert Clive, British Ambassador in Tokyo, had been instructed to make representations as regards the cutting off of the treaty port, Antung, to sea-going craft, contrary to the undertaking given by the Japanese Foreign Minister in 1910 to the British Minister.

The Tokyo Foreign Office issued a lengthy statement July 13 to the effect that there is practically no ground for the British protest. Reference is made to the Japanese communication of 1910 in which it was stated that construction of a railway-bridge would not interfere with Britain's right to trade with Chinese treaty port of Antung, as conceded in the Sino-American Treaty of 1903. The Tokyo Foreign Office declares that such a treaty would not have power to bind a third party and Japan does not think herself duty-bound to maintain the swing-bridge in operation—and in any event the machinery is worn out and the expense of renewal is not warranted.

The ports of Yuki, Seishin and Rashin, on the northern coast of Korea, will shortly be opened for Japanese-Manchukuo trade to shorten the trade route between the two countries, according to a decision of the new Government, Premier Okada has decided. It is understood that offices of Manchukuo customs will be established at these ports and simultaneously the Manchukuo-Korean border will be abolished.

Alleged British Communist Says He Was Subjected to "Third Degree" by Japanese Police

A charge that he was subjected to third degree methods, including severe bearings, by the Japanese police, in order to extort a confession of his participation in Communist activities was made by William M. Bickerton, former teacher of English in a Tokyo high school, in a half-column interview published in the London *Daily Telegraph* July 7. Mr. Bickerton last month jumped bail in Japan and left the country surreptitiously.

Floods Cause Huge Loss

Floods in Ishikawa prefecture last week, following the heaviest rain-storm in 37 years caused the death of more than 200 persons, rendered 4,000 homeless and washed away 30 bridges.

Tokyo was hit by a cold wave July 16, which meteorological experts say will continue.

Eighty-one American students are attending the first U.S.-Japan Student Conference now being held at the Aoyama Gakuin College.

Shigeru Kawagoe, Consul-General at Canton, was appointed July 13 Consul-General at Tientsin, succeeding Tadashi Kurihara, who was simultaneously appointed Chief of the Investigation Bureau of the Foreign Office.

Baron Gonsuke Hayashi, grand master of ceremonies in the Imperial Court, was formally appointed Privy Councillor. July 17 Baron Hayashi was a former Minister to China.

Eight deans of various Pacific Coast women's colleges have arrived in Japan as guests of the Tokyo Y. M. C. A. on a three weeks' visit of Japan. They are studying the educational facilities and vocations open to students after graduation, and the industrial and labor conditions and ancient culture of Japan.

Hiroshi Saito, Japanese Ambassador to Washington, who is on home leave, arrived back in Yokohama, July 17. He stated that since last year, the general American feeling regarding Japan and the Japanese has made a marked improvement, which, in his opinion, was quite natural inasmuch as large number of Americans, who have personally inspected Manchukuo, are reporting to their fellow countrymen of the quick and steady improvement of Manchukuo since her establishment.

The second general conference of the Pan Pacific Young Buddhist Association was opened in Tokyo July 17. Representatives from Manchukuo, China, North America, Hawaii, Canada, India Ceylon, Burma, Siam, and Singapore, are in an attendance. They will tour various parts of Japan, ending up with a visit to the Kure Naval Dockyard on July 28.

Japanese Cotton Goods Dominate Chinese Market

The Peiping *World Daily News* comments:—"Great Britain used to be the principal importer of cotton piece goods into China. This dominating position is now held by Japan. After the Mukden Incident of September 18. 1931. The Japanese textile trade in China experienced a sharp decline owing to the anti-Japanese boycott, but since last year when the boycott virtually subsided, it has not only regained its only position but has made fresh inroads by means of dumping. In addition to Shanghai, Tsingtao, Tientsin and Hankow are now affected by the dumping of Japanese cotton piece goods. The price of Japanese yarn during the months of July and June last year was $20 cheaper than Chinese

yarn per bundle. Faced with this competition, many of the Chinese cotton mills had no alternative but to close. There are other things working against Chinese mills. In the first place, the rate of interest in Japan is only three or four per cent per annum, whereas Chinese mill owners have to pay 10 or 12 per cent interest on their loans. Secondly, the exchange is favorable to Japan. Third and lastly. Japanese cotton goods are admittedly of better qutiity and workmanship than Chinese products. That the financial authorities know these facts, goes without saying. It is, therefore, surprising that they should have lowered the tariff on textile goods instead of raising it."

Japan's Export of Cotton Cloth Shows Great Gains

The cotton cloth exports from Japan during the first six months of the year reached 1,262,974,819 yards valued at Yen 232,350,046. Compared with the previous year, the export volume increased by 228,550,000 yards and the value by Yen 48,710,141.

The Japanese trade with Manchukuo and China, including Kwantung Leased Territory and Hongkong, during the month of June this year, has made an improvement, according to an announcement of the Tokyo Ministry of Finance, as follows:

Export	Yen 45,297,000
Import	Yen 30,167,000

Balance in excess in export Yen 15,130,000.

Summing up totals since January, the excess in export for the first half of present year has reached, Yen 70,940,000, which is Yen 15,688,000 more than that in the same period last year.

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Du Ponts Supply Mitsui With Huge Nitrate Plant

A recent *United Press* message from New York discussed the purchase some time ago by the Mitsui interests of a huge plant of the most up-to-date pattern for the manufacture of nitrates from the E. I. Du Pont de Nemours Co., America's largest manufacturers of explosives. The U. S. Government made representations to the Du Ponts and the latter replied that it was purely a commercial deal—nothing to do with war supplies. The construction in Japan was in charge of S. K. Varnes, chief engineer of the ammonia division of the Du Pont cocern. He was sent to Japan from Wilmington to supperintend the work. The U. S. Government was told by the Du Ponts that in any event if they had not supplied the Mitsuis with the plant, the Japanese would have got similar machinery in Germany. When the government mentioned that the Mitsuis were receiving a subsidy from Tokyo, the Du Ponts replied they had nothing to do with that; their part in the transaction was simply to sell machinery, patents, and engineering designs.

Bandits Continue Raids on Chinese Eastern Railway

Japanese troops and Manchukuo police are pursuing a group of approximately 100 bandits who raided the town of Lutaohotze, on the eastern section of the Chinese Eastern Railway, July 13. The bandits are holding, as hostages, the Russian station-master of the town and thirteen "Manchurians," who were captured during the raid. Among the loot taken by the marauders were ten rifles, stolen from the railway station.

A mixed freight and troop train was derailed July 15 by bandits eight miles west of Hengtaohotze, on the western section of the Chinese Eastern Railway. The brigands had torn up the rails, with the result that the train ran off the tracks and was transformed into a mass of wreckage. Two locomotives and 10 wagons were smashed, but the casualties were slight, only four members of the train crew being injured. The Japanese troop drove off the bandits, some of whom were wounded.

Bandits attacked a C. E. R. freight train July 5 and overturned five cars. Bandits also plundered a freight car at Pataohotse on the same date. Bandits numbering about 400 raided the town of Wuchang along the Harbin-Hailar railway July 5. The felled a score of telegraph poles to cut off communications, and fought two hours. They carried away six Chinese for ransom, and retired leaving three men killed.

Bandits destroyed the track, and wrecked and fired on a west-bound freighter July 14, 30 miles west of Imienpo. Twenty cars were smashed and three of the train crew were killed. The bandits also raided and pillaged the town of Lidahotze, and smashing telegraph and telephone instruments in an office of the Chinese Eastern Railway, kidnapped four of the employees.

Negotiations are reported to have been started by the Japanese Kwantung Army authorities with Tokuzo Aoki, former Chief of the Taxation Bureau of the Finance Ministry, for the appointment of the latter as Chief of the Special Mission Section of the Army.

The Manchukuo Raw Cotton Company's officials stationed in Jehol Province, after completing a survey of the cotton situation in Peichen-hsien, have reported to the Company authorities that there was a possibility of very considerably increasing the present area under cotton cultivation.

For the purpose of studying industrial developments about 600 Japanese students proceeded to Manchuria this week.

Tokyo syndicate banks July 13 decided to accept Manchukuo state bonds to the sum of 10,000,000 Manchukuo yuan for construction of waterways in Harbin and Changchun.

Two "Manchurians" in a boat on the River Amur were on May 14 fired upon by Soviet troops. One of them was seriously wounded, belated Japanese reports state.

A Soviet military airplane oppeared over Suifenho, at midday July 16 and cruised over the Railway station for half an hour, during which time the occupants of the plane were observed taking photographs.

Japanese telegrams note the decline of import into Manchuria of Soviet lumber despite the demand. They surmise that the reasion is that Sovets are using the lumber themselves in their Far Eartern military preparations.

Telephone connection between Japan and the principal cities in Manchuria is expected to be inaugurated August 1, when congratulatory messages will be exchanged between Premier Okada and Cheng Hsiao-hsu, Manchurian Preimer.

Soviets Merge "Ogpu" With Commissariat

A new All-Union Commissariat—the Commissariat of Home Affairs of the U.S.S.R.—will be formed in accordance with the decree of the Central Executive Commtttee of the U.S.S.R., published in Moscow July 10. The State Political Department (OGPU) will be included in the organization of the new Commissariat. The new Commissariat is charged with the duties of ensuring revolutionary order and the security of the State, protection of public (Socialistic) property, protection of frontiers, and registration of births, deaths, marriagss, divorces, etc.

Japanese army authorities July 12 requested the Foreign Office to file a formal protest with the Soviet Embassy demanding a retraction of the report distributed by *Tass*, alleging that a Japanese army officer had attempted to steal documents from the Russirn consulate at Heiho, Manchukuo, during a banquet there July 3.

The Soviet Government has decided to build a number of ports along the Northern Sea Route, to supply the passing steamers with fuel, fresh water and food, and to handle the freight traffic. The port at the Bay of Tixi in the Lena Estuary, is now under construction. Twenty-two steamers called there last year.

The Academy of Sciences of the USSR has dispatched five scientific expeditions to the Far East and Eastern Siberia. One of the aims of these expeditions is to study the geological structure of Kamchatka volcanoes.

Valerien Dovgalevski, Soviet Ambassador to France, died in Paris July 14 from cancer of the stomach. He had contributed greatly to the new Franco-Soviet understanding.

The Soviet government of the U.S.S.R. deposited $4,500,000 in the Chase National Bank in New York July 12 in payment of a loan issued by the Reconstruction Finance Corporation, July 15, 1933 to finance Soviet cotton purchases from the United States.

Soviets Congratulate Mongolians

The Moscow papers July 15 featured prominently a long *Tass* telegram from Urga on the 10th anniversary celebrations of the so-called "Mongolian Republic," which had been established under the Soviet auspices. L. M. Karakhan, head of the Soviet Government Delegation at the occasion, in the course of a speech, congratulated the Mongolians on the "united leadership and firm revolutionary ties between the Government and the toilers, the growth of the national spirit and culture and the creation of a mighty army which is politically and technically sound."

Blucher Says Soviet Army Is Ready

General Blucher, commander-in-chief of the Soviet Far Eastern forces, who is now in Harbarovsk, stated July 16 that the Soviet Army in the Far East was now complete and "ready to repulse the enemy."

Extensive preparations for military maneuvers by the Red Guards are being pushed in the Posiette Bay district, in close proximity to North Korea, according to a *Manshu Nippo* dispatch from Changchun, dated July 5. It is said that the area of the intended maneuvers covers the district of Novkieskoe, (Wanchiu) on the bay, and the vicinity of Wutaokow, in Manchukuo territory in the north. A force of 600 laborers dispatched from Vladivostok is engaged in raising fortifications, including forts, trenches and barbed wire entanglements.

Chinese Art as an Aid to Cement Relations with Soviets

Thomas Li, the *Chekiai* Agency's Moscow correspondent, writes that the outstanding event in Moscow's art world this Spring was undoubtedly the Chinese Painting Exhibition which opened on May 7 in the Historical Museum on the famous Red Square, The Soviet leaders, as part of their cultural program, organized, several years ago, the V. O. K. S.—All-Union Society for Cultural Relations with Foreign Countries. It is under the auspices of this organization that the Chinese artist, Ju Peon, exhibited in the Soviet capital some three hundred Chinese paintings, several of which date so far back as the seventh century. A Russian professor, B. Denike, in an article in *Izvestia*, said: The importance of this Chinese Painting Exhibition lies, in the fact that this is the first time that wide masses of the population of the capital of U. S. S. R. and our artistic circles have had an opportunity of becoming acquainted with the various stages of the historical development of Chinese painting and numerous examples of modern Chinese art."

This exhibition of Chinese paintings is the first important step in Sino-Soviet cultural co-operation. Wu Nan-ju, Chinese charge d'Affaires in Moscow, in a short speech made at the opening ceremony of this exhibition, stated that the existing good relations between the peoples of China and the Soviet Union will be further strengthened by this cultural co-operation, and will also help to create a better understanding between them.

S. M. R. Decides on "Financial Cooperation" with North China

The South Manchuria Railway is planning activities into north China in near future now that the question of through railway traffic between Peking and Mukden has definitely been settled, according to a recent message from Tokyo. It has decided to carry out what it calls "financial co-operation" with north China, according to *Nihon Dempo*. The Peiping branch of the S.M.R. will be the scene of much activity in the near future, it was stated. Mr. Toka is expected to be designated as head of the Peiping branch office in the capacity as official adviser to the Company.

The South Manchuria Railway Company continues to show handsome profits. From April to June receipts totalled 30,741,400 yen, an increase of 6.000,274 yen as compared with the total for the corresponding period last year.

The Railway Department of the South Manchuria Railway Company has decided to operate three new trains on the main line of the S.M.R and one new train on the Korean-S.M.R. Line from October 1, when a revised schedule will be enforced. It has been decided to operate a super-express on the Dairen-Mukden and Mukden-Hsinking lines, one new through-express between Fusan, a port in the south part part of Korea, and Mukden.

Teiji Tsubogami, vice-minister of Overseas Affairs, is reported to be seeking the appointment of Shukei Kuwajima, director of the Asiatic Affairs Bureau and former Japanese Consul-General at Tientsin, as a director of the South Manchuria Railway Company.

The Japanese Government July 14 sanctioned the issue of Yen 40,000,000 debentures by the South Manchuria Railway Company, interest rate of 4.5 percent, to mature in 15 years.

Japanese Colony in Mindanao Investigated by Governor General Murphy

Governor-General Frank Murphy middle of last month proceeded from Manila to Davao, in the southern fort of the Islands, to study at first hand the concentration of Japanese there. Mr. Murphy was told by Juan A. Sarenas, the provincial governor, that the Japanese control the agriculture and commerce of the province, at present the richest of what is regarded as potentially the most wealthy of all the Philippine Islands.

A *Rengo* dispatch from Davao quotes an estimate of Consul Toyoji Kaneko, that the Japanese in Mindanao numbered 12,742 as of last October, which he said represented a reduction of 250 within a year. Other estimates of the population range as high as 20,000. In 1923, by the Consul's figures, there were only 2,693 of his nationality in Davao, The entry of the Japanese into the Philippines is unrestricted, but Chinese, who now number 150,000 or more, are barred as immigrants. By a 1919 insular law, ownership of land by aliens was restricted, but 41 Japanese corporations now own or lease 572,000 acres in Davao Province and numerous individuals about 1,000 acres, according to the Consul's figures. Filipino officials told Mr. Murphy that much land is worked by Japanese through Filipino "dummy" owners. One proposed solution of the "problem" is the purchase of the Japanese holdings by the Philippine Government. This project was advanced in 1933 by Thomas Doromal, member of the Davao Provincial Board, but its cost is believed by the Japanese to make it impracticable. The two chief Japanese hemp-producing corporations are the Ohta and Furukawa development companies. The latter is experimenting with the ramie plant, of which more than $2,000,000 worth is imported by Japan from China every year.

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Canton Pushes Development of Huge Air Force

The Canton authorities are continuing their utmost efforts to develop a strong air force in South China. Apart from placing an order for 200 airplanes from Europe, General Chen Chi-tang is now taking steps to form a regular air department to be attached to his headquarters. Besides airplanes, General Chen has ordered the formation of fire brigades, air defence companies, anti-aircraft gun companies, smoke screen companies, wireless sections, anti-gas sections and several other sections necessary to make the air force complete. Regulations governing the organization of these sections are now being worked out by General Chen's Headquarters.

The Eurasia Aviation Corporation has ordered a new twenty-seat passenger plane from Germany, which, will be the largst plane in China. It is due to arrive in China in August.

General Mao Pang-chu, formerly principal of the Central Aviation Academy at Hangchow, departed from Shanghai July 13 on an aviation investigation tour in Europe, accompanied by four instructors of the Hangchow Aviation School. Twenty graduates iof the Hangchow Aviation School also left for Italy to pursue higher studies. They will remain in Italy for a period of three years each.

The Far East Flying Training School, recently opened in Hongkong, is now in full operation. The school building, is situated at the western end of Kai Tak airdrome. The ground engineering courses particularly are proving most popular and an addition is being erected to include a greatly enlarged practical engineering workshop.

A number of buildings are under construction at the eastern end of the airdrome foi the Royal Air Force at Hongkong, including staff quarteis, workshops and dope shop. At the western end a seaplane ramp is under construction for the use of civil aircraft.

Three Japanese naval fliers attached to the aircraft carrier *Akagi* were seriously injured on the night of July 13 when their plane was forced down during night maneuvers near Kitagata.

Two Japanese seamen were killed when a naval combat plane crashed July 5 near Motoyoshimura, Shizuoka Prefecture.

A new and very secret type of airplane engine, in which great hopes had been placed, was completely destroyed July 9 by an explosion which occurred in the Isotta Fraschini works at Milan.

Japanese to Establish Naval Aviation Bases

The Japanese Navy has decided to establish naval aviation bases at Kisarazu, Chiba Prefecture, on the Pacific, and at Maizuru, Kyoto Prefecture, facing the Japan Sea, for the purpose of defence from aerial attack by "enemy countries." Construction work is expected to commence shortly.

A long-distance flight was made by Capt. Mori, leading a group of 12 Japanese Navy aviators, in two large Japanese-manufactured monoplanes last week. They hopped off from Tateyama at 5.45 a.m. July 9 and flew to Shikoku Island, Ariake Bay, Kyushu Island, Shimonoseki Straits and the Hiroshima Naval Aerodrome. They completed the round trip he following day.

The U.S. Aviation Commission recently created by Congress, is sending one of its members to Europe to study air progress there in view "of the new deal for American aviation."

The U. S. navy airship *Los Angeles* has been condemned for further flight owing to age and deterioration. It was built in 1924 in the Zeppelin works at Friedrichshafen on the reparations account. The U.S.S. *Macon*, the world's largest airship, is now the American Navy's only dirigible.

Plans are being pushed at Washington to proceed with the construction of floating airdromes with a view to developing Transatlantic air service. It is explained that the Transatlantic floating airdromes will be the property of the United States and will be exploited by it, but that airplanes of all nationalities without distinction will be allowed to use them. According to an announcement made by U.S. Secretary of Commerce Daniel G. Roper, on November 16, last year, $1,500,000 will be appropriated from the Public Works fund for the beginning of the construction of these floating air stations.

Orders for several bombing planes will soon be placed by the Soviet Government, in England, France and Italy, according to the London *Daily Herald*.

Two German planes involving the loss of seven lives, crashed near Lake Constance July 9. Sabotage is suspected.

Carl Nahmmacher Killed While Demonstrating Vought Corsair Plane

Carl Nahmmacher, Far Eastern manager of the United Aircraft corporation, was killed on the afternoon of July 12 when a 700 horse-power Vought Corsair plane which he was demonstrating at the Hungjao airfield crashed to the ground. The accident was witnessed by his wife and four-year-old son. In the plane at the same time was F. R. Welch, mechanic, who escaped with nothing more serious than several bruises, landing in a pond by parachute. Nahmmacher had taken his plane to an altitude of about 10,000 feet and was making a nearly vertical power dive at about 310 miles an hour. Then something went wrong—as near as can be judged a wing came off. The plane was one of a group which came here recently on the *President Lincoln*—which entered the port of Honolulu with a fire in her cotton cargo. The planes at that time escaped damage. The plane together with the engine fell into a tangled mass in a rice paddy. The body was cremated, Funeral services were held by Dean Trivett at Bubbling Well Chapel, July 13. A fund has been started in memory of the late Mr. Nahmmacher to be used for the eventual erection of a special building for the Y. M. C. A. summer camp for boys at Tsingtao. Owing to the death of Mr. Nahmmacher, the local office of the United Aircraft Exports, Inc. and the Consolidated Aircraft Corp. in the Hamilton House is expecting an early return of their sub-manager Leslie A. Lewis, who departed for the United States in April. Appointment of a permanent successor to Mr. Nahmmacher has not yet been announced.

Hitler Defends Executions—Gen. Johnson's Scathing Criticism

Chancellor Hitler in a speech which lasted more than an hour delivered before the Rechstag in Berlin June 13 defended the methods used in the suppression of the recent Storm Troop revolution June 30. "I am ready before history to accept the full responsibility of those 24 hours in which I made the bitterest decisions of my life," the Chancellor declared. "I hope that when fate at any particular time calls me from post, my successor will pursue the same strong policy to guarantee the security of the nation's people."

Herr Hitler in his speech boasted that he had beat down the revolution before it had time to spring up. The Reichstag heartily applauded and passed a unaminious resolution of support for the Government.

Although Herr Hitler in his speech spoke of 77 persons executed, the exact list is not avilable for publication. The general opinion is that two or three times that number were actually executed. The N. Y. *Herald Tribune* referred to Hitler's speech as that of a fanatic.

The Foreign Press Associaton in Berlin is up in arms against a recent accusations of Dr. Goebbels, minister of propaganda, who described as "worst kind of gunman journalism" the manner in which the Foreign Press had reported events in connection with the recent "purge" of the Storm Troops.

Speaking at Waterloo, Iowa, General Hugh Johnson, commented on recent events in Germany. "The idea," he declared, "that responsible men can be taken from their homes, stood up against a wall with their backs to the rifles of a firing squad and shot dead, is beyond my comprehension. I have seen something of this sort in Mexico during the ravages committed by the late 'General' Villa and his men and among semi-civilized people and half-drunk savages, but that such a thing could happen in a country of some supposed culture, is incomprehensible."

The German Government entered a protest, to which the U. S. State Department replied that General Johnson was speaking as an individual and not as a spokesman for the American Government or the Roosevelt Administration. General Johnson backed up his statements by saying, "The Nazi executions only go to show to what depths a country can fall when the rights of constitutional government are thrust aside."

Germans Say It Is Their Own Business

A correspondent explained the German point of view in the *Deutsch-Chinesische Nachrichten* (Tientsin) as follows: "To non-Germans we say, politely but frankly, that what is happening in Germany is none of their business. They with their over-powering numbers made no protest, but applauded, as their governments pushed us down into misery, and how we get ourselves out is our own affair. When foreigners speak of atrocities and bloodshed, we ask them, 'Where were your protests, your appeals to humanity, your sympathy, while the German people were threatened with a continuation of the hunger blockade so that further millions of Germans were to be exposed to sickness and death, and thus forced the then German government, evidently of a kind to your liking, to sign the shameful treaty of Versailles?'"

Japanese to Start New Cigarette Factories in Manchuria

A cigarette manufacturing enterprise under the joint investment of Japanese and Manchurian capitalists has obtained the permission of the Manchukuo Government to operate in Manchuria. As the first project of the company, a cigarette factory with the manufacturing capacity of 60,000 cases (each containing at an average of 25,000 pieces) of cigarettes per year is to be established in Hsinking, which will be followed by another factory of lesser manufacturing capacity to be established at Harbin. The tobacco business in Manchuria has so far been a monopoly of the British-American Tobacco Company which has had about 80 percent ot the trade. The Toa Tobacco Company and others had the remaining 20 per cent.

Chinese Students to Be Sent Abroad on Government Scholarships

Certificates were awarded July 10 by the Ministry of Education to the 26 successful candidates who sat for the recent re-examination of students selected by the Provincial Governments of Honan, Anhwei, Hupeh and Kiangsi to be sent abroad for further studies on Government scholarships.

Results of the joint examination for graduating students of middle schools in Kiangsu province announced at Chinkiang July 11 showed that out of 961 students who sat for the tests, only 515 qualified.

Results of the joint examinations for the graduating students of middle and primary schools in the Capital were announced July 14. Out of 1,449 middle school students who participated, only 220 senior and 612 junior graduates qualified. Of 1,405 primary school students, 1,321 successfully passed the tests.

The second annual summer military training course for senior middle school students in Honan province was concluded in Kaifeng, July 15. Over 1,600 Government officials, school principals, students and other guests were present at the closing exercises. The ceremony was receded by a review of the students under training. General Liu Chih, Chairman of the Honan Provincial Government, in a speech, advised the students not to be content with the short course of training they had received but should always cultivate the martial spirit in order to participate effectively in the struggle for the revival of the race and the salvation of the nation.

During the past ten months, a total of 65 private middle schools has registered with the Ministry of Education, according to notifications issued by the Ministry to the various Provincial Departments and Municipal Bureaux of Education.

Reforms calculated to improve conditions in various universities and colleges in Peiping are contained in instructions which have been despatched by the Ministry of Education to the institutions concerned. The reforms are based on recommendations made by the Ministry's inspectors, who were sent to North China in the spring to study the situation.

The Peiping *Chen Pao* comments:—"It is unfair to expect every college graduate to do what only a very small number of exceptionally able men can. In the existing state of things in China, it is difficult even to maintain enterprises which have already become established. It would, indeed, be the height of absurdity to expect those fresh from college to be able to start new enterprises and succeed. The question of livelihood is a practical qnestion which cannct be be solved by mere empty talk. We must confess that we can offer no good suggestion for the solution of the unemployment question of the college graduates. Of the gravity of this question there can be no doubt. We hope that both the Government and various social organizations will pay serious attention of the matter.

"Red Pill" Dealer Executed with Approval of Chiang Kai-shek

Li Chi-tai, a 64-year-old man who was convicted of dealing in "red pills" was executed by a firing squad at the Garrison Commander's Headquarters of Shanghai and Woosung Areas in Lunghwa July 14. He was executed under the recently enforced regulations governing narcotic traffic in Shanghai. The death penalty was approved by General Chiang Kai-shek.

According to reports from Poseh, an enormous opium caravan consisting of 560 pack horses and mules has arrived there en route to Canton. The value of the consignment is estimated at over 900,000 taels. The caravan, it is stated, had an exciting journey from Yunnan to Kwangsi, having encountered several bands of briganda who attempted robbery. The regular route from Kwangnan to Posch via Puyen was infested with bandits and it became necessary for the caravan to make a detour, entering Kwangsi at Pata and making the journey to Poseh via Silin.

Gold Bars Stolen by Chinese in Kobe by Means of a Trick Box

The *Japan Chronicle* relates how a Chinese trickster robbed a Kobe jeweller of three gold bars worth yen 4,000 by means of a neat, if old, trick. The jeweller received a message from a friend informing that a certain Chinese wanted to buy some gold, and taking three bars round with him, he interviewed the Chinese at the latter's boarding house. After discussing the price, the Chinese went out to get the money from his employer, first putting the gold bars into a box which he locked, and placed near a cupboard against the wall. The jeweller and his assistant waited patiently, but the Chinese did not return. Becoming alarmed, they examined the box which had not been out of their sight all the time. It was empty! A big hole in the side adjacent to the cupboard told the story. The Chinese had crept into the cupboard from the next room, and extracted the gold through the hole in the box.

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Dr. H. H. Kung Returns from Inspection Tour of North China

Dr. H. H. Kung, Minister of Finance, accompanied by Li Chin-hsuen, Dr. Kuangson Young, two secretaries and six bodyguards, arrived in Sian by plane from Taiyuan July 11. In an interview Dr. Kung emphasized that the reconstruction of Northwest should begin with reforestation. He said that while he was flying over to Sian from Taiyuan, he was distressedly impressed by the general barrenness and unforested mountains. He streassed the fact that Northwest is the home and origin of Chinese culture and that no efforts should be spared to promote its development. In his interview at Sian Dr. Kung declared that the Northwestern authorities have not only spared no efforts for the rehabilitation of the rural districts, but had also taken active steps to improve the civil administration.

Interviewed at Taiyuan Dr. Kung, revealed that he had discussed extensively with General Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters, on national and provincial affairs. He said he was much pleased that Shansi is effectively carrying out the policy of the Central Government in reducing the burdens of the people. He was also glad to be informed by the Finance Bureau Chief of Shansi that a total sum of more than $6,000,000 of the exorbitant taxes and miscelleneous levies in Shansi would be abolished.

Dr. Kung and his party returned to Nanking from Sian July 12 by plane. Dr. and Mrs. Kung came down to Shanghai by plane the following day.

With regard to the request of the Shensi Provincial Relief Committee for a relief fund of $400,000, Minister Kung said that the Ministry of Finance has already remitted a sum of $300,000 to the Committee. The balance of $100,000 is not so urgent, in view of the fact that the financial position of the Shensi Provincial Government has improved considerably of late. However, in case of absolute necessity, he added, the Central authorities would not only remit the $100,000 to Shensi, Dr. Kung said, but would also devise steps to raise a larger sum for the relief of the distressed in Shensi.

Dr. Kung during his three weeks trip had visited the provinces of Shantung, Hopei, Shansi, Shensi and Honan, where he inspected the finance and tax organs and conferred with the provincial authorities on financial problems. While at Tientsin, Minister Kung was informed by the Hopei Provincial Finance Commissioner that 29 districts in Hopei had reduced farm surtaxes, amounting to $799,000 per month and that a total sum of $555,371 of exorbitant taxes and miscelleneous levies had been abolished. While on his way back to Nanking from Sian, Dr. Kung stopped enroute at Kaifeng and had a brief conversation with General Liu Chih, chairman of Honan. He also inspected the Yellow River engineering works at Kaifeng. Reporting on financial conditions in Hopei, Dr. Kung said they were not so bright, in view of the unsettled situation in the Luanung area. Nevertheless, General Yu Hsueh-chung, Chairman the Hopei Provincial Government, is making special efforts to improve conditions in accordance with the orders of the Central authorities. The situation in Peiping is very satisfactory, Minister Kung said, thanks to the energetic efforts of General Ho Ying-chin, Acting Chairman of the Peiping Branch of the Military Affairs Commission. Under the able leadership of Shao Li-tzu, Chairman of the Shensi Provincial Government, and General Yang Hu-cheng, Director of the Sian Pacification Headquarters, the work of reconstruction in Shensi province is being pushed ahead with astonishing rapidity, Dr. Kung said. Not only are the people cooperating actively in the task, but the soldiers are also assisting in the work. All in all, Dr. Kung said that what impressed him most during his inspection tour, is the fact that while the various Provincial Governments are sparing no efforts to alleviate the plight of the people; the latter are also standing firmly behind the Central authorities and are convinced that national salvation can oniy be accomplished through unity and cooperation.

A dinner party was given by Dr. H. H. Kung, at his residence, 383 Route Sciyes in Shanghai July 16. Among those present were: George Murphy, brother of Frank Murphy, Governor-General of the Philippine Islands; Sir Frederick Whytoe, formerly advisor to the Chinese Government; and Dr. Wellington Koo, newly-returned Chinese Minister to France; Jabin Hsu, Director of the General Affairs Department of the Ministry of Foreign Affairs; and Dr. Kuangson Young, formerly Chinese Consul-General at London.

Mediator Appointed for Cigarette Strike at Pootung

Messrs. Tu Yueh-sen, Wong Shao-lai, Sze Liang-tsai, Ling Kong-hou and Yu Tso-ding, have accepted a request from the strikers of the B.C.C. "new" factory, Pootung, to mediate in the two-month labor dispute caused by the management's closing down of the "old" plant. A letter signed by the leaders has been sent to Mayor Wu Teh-chen of Great Shanghai asking for immediate action in settling the strike.

San Francisco Strike Develops Huge Proportions

The west coast of the United States, with San Francisco as the center, is in the throes of a strike which threatens to develop into the greatest labor struggle in the history of the country. The water front at San Francisco is an armed camp with police and several thousand National Guard troops on duty. Fights between police and strikers are matters of daily occurrence. The strikers are in an ugly mood and do not hesitate to assault, and in some cases kill, men suspected of taking on jobs which they have vacated. As the result of strikes by stevedores, coastal maritime workers, marine engineers, teamsters and truck drivers, taxi cab drivers, chauffeurs, street railway maintenance men, boilermakers, iron workers, welders, electrical workers, cleaning and dyeing workers, butchers, bakers, etc., the city of San Francisco is threatened with famine. Hungry crowds frequently raid shops in order to get food. Street cars did not run for several days, but as the street railways are city-owned, the striking employees later returned men to work for fear of losing their pensions.

Trans-Pacific sailings have been generally delayed owing to the strikes. The ships that do sail have been unable to load cargoes. Dollar boats held up a Seattle will resume sailings July 21, when the *President Grant* will sail for Shanghai. Japanese boats passenger are running between San Francisco and the Far East as usual, but with hardly any cargo. Japanese boats with cargo for Seattle are unloading at Vancouver.

Decrying the N.R.A., A.A.A. and others of the Administration's projects as still serving capitalism, Norman Thomas and other speakers opened the Socialist Party's biennial national convention in Detroit July 12.

Fur her progress towards releasing huge sums frozen for more than a year in the American banks was reported by Comptroller of Currency O'Connor July 11. In the month of June, the Comptroller revealed, 40 national banks containing deposits totalling $33,777, were re-opened.

Drought in the United States has reduced this year's wheat yield to the lowest in several dacades. Wheat prices are rising rapidly and from present prospects wheat may have to be imported next year.

The majority of the Pittsburgh Steel plants have signed agreements with the Amalgamated Iron, Tin and Steel Workers Union providing for a three percent increase in wages. The Republic Iron and Steel Co. refused to join in the agreement.

Chinese Merchants Use New Tariff as Political Weapon Against Japan

The Shanghai correspondent of the *Osaka Mainichi* in a dispatch dated July 6 expressed the opinion that, taking advantage of the complaints voiced within and out of China against the new revised tariff rates, a group of anti-Japanese Chinese merchants has started a vigorous political campaign of which the effects are threefold, ultimately hitting Japan. This Japanese correspondent says the Chinese merchants have distorted the facts, as for one thing, the revised rates are not advantageous for Japan. As regards the raw cotton duty increase, the measure hits the Japanese mills in China most in view of the fact that the Chinese mills hardly consume the American cotton. The Chinese opposition, from the Japanese point of view, is termed ridiculous.

"Chinese campaign leaders, side by side with their characteristic activities to arouse the public excitement, have also filed a vigorous complaint with the Legislative Yuan of Nanking against the new tariff rates," this Japanese correspondent said

Japanese joined the opposition to the new import tariff when the Japanese Cotton Mill-owners Association met last week and decided to present a petition to the Ministry of Finance in Nanking asking for cancellation of the present duties on imported cotton and a return to the old rates.

Alleged Demented Youth Makes Attack on U.S. Consulate at Mukden

After ripping off the name-plate from the front of the American Consulate-General at Mukden at noon July 16, an unidentified man in uniform, brandishing a bayonet, attempted to enter one of the offices but fled after being halted by one of the vice-consuls. The assailant, after tearing down the consular sign-board, attempted to break into one of the offices, but was checked by Monroe Hall, one of the vice-consuls, who picked up an office chair and hurled it at the intruder. Other members of the consular staff rushed for aid, upon which the assailant dashed around the office building and escaped over the compound wall.

The culprit was later ascertained to be a Japanese farmer lad of 19, a member of an organization similar to the Boy Scouts. The Japanese authorities have effected his arrest. They report him to be insane.

Hopei Suffers from Both Flood and Drought

An anomalous situation confronts the government in Hopei province, for while over 50 villages in Wuching, northern Hopei, are inundated as a result of breaches on the dykes in the northern section of the Grand Canal due to the torrential rains, the three districts of Kwangtsung, Hengshui and Tsinghsien in the southern part of the province are suffering severely from drought.

The water in the Luan River in northern Hopei suddenly rose during the night of July 11, when several dykes were destroyed. Seventeen Chinese flatbottom boats which were anchored near the Luan River railway bridge were carried away by the swift currents.

Many bridges were washed away in North Manchuria during the past week and bandit depredations continued to add to the sorry plight of north Manchuria. Approximately 500 houses were under water in Changchun, hundreds of which collapsed, making 8,000 persons homeless. Forty per cent of the cultivated area in north Manchuria was inundated. The rains have since ceased and conditions have generally improved.

As a result of heavy downpours end of last week several villages outside Tientsin were deluged.

The railway tracks on the Peiping-Suiyuan Railway near Tsotzeshan in Suiyuan were washed off by flood and the railway embankment in that region was partially destroyed July 15.

The embankment of the railway near Chihsiaying was destroyed by the strong flood waters and hundreds of villages were washed away.

As a result of the incessant rainfall in the upper reaches of the Yellow River, the districts of Yenchen, Hsiping, Suiping and Junan in western Honan were completely flooded.

Collapses of dykes of the Hsiang River, a tributary of the Yangtsze, occured at several places last week.

The National Economic Council has ordered the Han River Engineering Bureau to take special measures in reinforcing and heightening the dykes of the Han River, a tributary of the Yangtsze, in view of the flood menace.

Owing to the washing away of part of the tracks near Paotow, eastern Shansi, the express train on the Peiping-Paotow section of the Peiping-Suiyuan Railway was delayed July 11.

As a result of continued rainfall, all the three rivers of Kwangtung overflowed their banks last week, causing a disastrous flood. The East River ditrict was completely inundated and all motor roads were submerged.

Chienkiang, a city in southern Hupeh, was flooded July 12 following the breakdown of the dykes protecting the city from the Hsiang River.

The work of reinforcing the huge dykes on both sides of the Yellow River in southern Hopoi has now been completed.

Reports from the Yangtsze Valley July 17 indicated a definite change for the better in the weather. Rainstorms, accompanied by lightning and thunder, reduced the temperature appreciably.

Chekiang Suffers from Drought

Chekiang is in the grip of a serious drought as a result of the continued dry weather.

As a result of the shallowness of water in inland waterways regular steamship services between Shanghai and island ports have been completely brought to a standstill. Most of the inland waterways in Chekiang are rapidly drying up.

The temperative at Tsinan reached 116 degree F. in the shade July 15.

Messages received from Chinkiang and Anhwei, respectively provincial capitals of Kiangsu and Anhwei, report that owing to the dry weather, the farm lands are parched and crops damaged. The temparature in Hsuchow, northwestern Kiangsu, registered 105 degrees Fahrenheit, July 10, the hottest day in forty years.

The highest temperature in Nanking this summer was registered July 12 when the mercury rose to 108.5 degrees Fahrenheit.

To relieve the drought situation in this province, the Kiangsu Provincial Government are recommending the farmers to plant crops such as potatoes, beans, kaoliang, wheat, and other plants which can thrive on dry soil.

Harbin Cut off by Floods

Harbin has virtually been cut off from the rest of the country as a result of the C.E.R. system being completely paralyzed by floods. The city is panic stricken, fearing a greater disaster than in 1932. Traffic between Changchun, the capital of Manchukuo, and Harbin, including the Siberian mails, was brought to a stand-still July 17 when the Lalin River flooded its banks and washed out the tracks of the Chinese Eastern Railway at a point 145 miles south of Harbin.

OLING

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用亞林防疫臭水隨時澆洒室內外及一切不潔淨處能滅微菌消穢毒爲最澈底最可靠之防疫方法

INTERNATIONAL DISPENSARY

SHANGHAI

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69-317

The Chinese, the Japanese, and the Filipinos

BY ARTUR DE LEON

NO one in the world has suffered and has been humiliated as much as the Chinese. His life is a hard one, full of many heart-breaking obstacles and hardships.

Internally, he has to fight famine, diseases, floods, banditry, civil strifes, and what not. Externally, he has to face foreign aggression.

"Since 1883", says one writer, "China has lost over 2,414,103 square miles of territory in Eastern Asia—a disintegration more swift and fatal than that which overtook the Roman, Greek, Byzantine, and Egyptian empires . . . . About the only puzzle is how much China can be whittled down and still remain China."

As if these were not enough, the Japanese are now speedily moving South with Amoy and Mamei as their first objective, and they are expected in the near future to take military measures to place South China in their control as they did in Manchuria three years ago.

In view of these very disquieting reports, what does the Government propose to do? Do the leaders realize the full significance of such reports?

It is regrettable to say that while bandit suppression and New Life movements are in full swing, Chinese territory is being lost to the foreigners, and it is not too much to say that some day China may find herself under complete foreign domination. Bandit suppression and new life movements are no doubt patriotic undertakings; but if bandits are suppressed and saints produced while Chinese territory is lost in the process, what good will come out of it? It seems about time that the leaders devise some ways and means to check further encroachment upon Chinese territory before it is too late or they would be cursing their fate as long as they live.

The Japanese

The Japanese is a strong, powerful man—and a strong, powerful man does not apologize. He is a superior man. Some people call him the brainiest mortal in the world. He is so progressive, so practical, and so "western" that at least one man thinks he the (Japanese) is not an Asiatic but a Westerner. They all say that Asiatics are lazy, impractical, dreamers, and what have you. It is not definitely known that the Japanese is a white man, but it is known that he is a strong, powerful man.

He took Korea and Formosa.

When he sliced Manchuria from China, even the League of Nations protested, but he ignored the protest.

He has disregarded his solemn treaties as mere scraps of paper and flaunted the League of Nations.

He has resigned from the League of Nations, but keeps the mandated islands.

He has invaded the territory of a peaceful neighbor.

He is fomenting troubles and inciting revolutions in many countries.

He is master of hundreds of islands of the Pacific, Nipponizing the natives as fast as possible.

He has all Europe, America, Africa, Australia, Russia, and Asia worrying over his cheap goods which he dumps in their markets.

He is creator of many doctrines, the most famous of which is "Asia for the Asiatics," sometimes called "Asia for the Japanese."

He has committed a number of diplomatic blunders, one of which is the so-called "Hands-Off-China" declaration, formally issued and then later withdrawn.

He even dreams to conquer the world by uniting the East and the West and placing his country on top of it. This he regards as a holy task.

You may ask, how can a man commit so many errors and get away with it? The answer is, the Japanese is a strong, powerful man and no one wants to fight a strong, powerful man.

You may not agree that he is a superior man but the proofs are plenty.

A strong man usually meets opposition, but he does not worry, because he has power, and he has strength.

He knows he is strong, powerful, superior, and a strong, powerful, superior man does not apologize unless, of course, a stronger man comes along and compels him to do so.

The Filipino

The Filipino will soon be independent, his bill of freedom having been approved by the American Congress. As a start, he will have a Commonwealth Government and then absolute independence after ten or twelve years.

He is of course happy and exuberant with joy, for years and years he has demanded his freedom, first from Spain and then from Uncle Sam.

His joy, however, is only short-lived, for he finds a big problem staring at his face. The question is, What will he do under Independence?

As a subject nation, he did not have to worry over this or that thing. Spain and America gave him protection against foreign aggression and in addition, gave him everything he needed to live a comfortable life.

But when he becomes master of his destiny, things will be different. He has neither navy nor army. These things cost a lot of money so that it would probably take some 30 years' time before he could have them.

He may be able to preserve order within his domain, but what will he do in case he is attacked by a foreign power?

It is evident, therefore, that in order to enjoy the blessings of independence, he must have a big brother or an ally on whom to fall back for assistance in the event of an attack by a foreign enemy. Of course, he must not antagonize the other nations.

He can not live by good-will alone, and a guarantee of neutrality is not enough. What will the Filipino do? Will he go Chinese, American, or Japanese?

China seems eliminated from the leadership race because she can not even protect herself against the Japanese. The Japanese, on the other hand, desire to maintain hegemony in all Asia, but whether or not America will permit them to do it remains to be seen.

The Filipino really faces a big problem. Upon its wise solution depend his prosperity, happiness, and even his own existence.

The Filipino is an interesting person. Racially, he is still Malay but spiritually and culturally he is Western. He thinks in Spanish, speaks in English, and curses in his own dialect.

Amoy, June 15, 1934.

Judge Helmick's Decision Causes Commotion in Financial Circles

The decision by Judge Helmick in the U. S. Court for China last week that no more than eight percent interest could be collected from American debtors has caused quite a commotion in local financial circles, in view of the fact that interest rates hgher than this have been the general rule. Shanghai has a large number of finance companies both foreign and Chinese, and foreign rates are high locally as compared with Europe and the United States. Chinese rates generally are still higher. There has been some talk of the plaintiffs in the case, the Finance Banking Corporation, Ltd., appealing to the Circuit Court in San Francisco, but so for no definite steps have been taken in that direction.

According to the decision, "the District of Columbia Code governs the rate of interest which shall be enforced against defendants in this court" and in an earlier part of the decision the court remarked that "the precise and narrow issue is what rate of of interest can be enforced against defendants in this court, and it is strange that after all these years the issue should be presented as a new and unsettled one." In 1923, the U. S. Court China held specifically that the District code governed, Judge Heimick pointed out, although in that case (Massy v. Fernbach, decided by Judge Lobingier) the court erroneously applied a maximum rate which had previously been reduced in the District. The Helmick decision went into detailed discussion of the District Code provisions, local conditions, etc, etc. The court found that "in view of the uncertainty which has existed, it is clear that plaintiff had no illegal intent to make a usurious countract," with the result that a forfeiture provision in the District code, by which the creditor forfeits all interest for charging more than 8 per cent, was not enforced.

In the course of his decision Judge Helmick said:—"Since the Biddle case, the District of Columbia Code by policy and usage of this court has become the primary legislation for this jurisdiction, and consequently the question here apparently centers on adaptability. Habitually to test adaptability too freely tends to put this tribunal in the anomalous position of both legislator and court. The task should be undertaken with great caution and without inquiry into the desirability, wisdom or merits of legislation. Under the guise of testing the adaptability of the laws of the United States, this court should not reject appropriate statutes merely because it might wish they had been drawn differently. In this jurisdiction we may not have the benefit of choosing to be bound by only such laws of the United States which we like and of ignoring what we dislike."

Chinese Court Also Has an Interest Case to Decide

In a case brought in the Chinese Court in the French Concession July 12, the defendants, the Emigrant Cooperative Society, charged that the plaintiffs, the Thriftcor Bank, were charging interest at the rate off 33-5/8 per cent. The attorney for the plaintiffs countered by saying that the Thrlftcor Bank could not in any event charge more than 20 per cent, as that was the legal limit in China. The claim is for $2496 on a loan.

Attorney Shendrikoff, appearing for the Cooperative Society, stated that the average interest as allowed by Chinese law shall not exceed 18 per cent and that the Thriftcor Bank holds a certificate of the State of Sierra Nevada, according to which law the highest interest charged by a bank should not exeeed 10 per cent. An accountant has been appointed by the Court to compute the rate of interest actually charged.

Who's Who in China

Shao Hung-chi

邵鴻基字承彥

Shao Hung-chi, Government official; born at Yutien, Hopei, 1889; graduate of the Fengtien High Constabulary College; has served successively as Police Commissioner, Police Inspector, Army Regimental Commander and Magistrate of Hantan, Jenchiu, Kunghsien, Hsinyang and Chingyang in Hopei, Honan and Shensi respectively; member of the Control Yuan since 1929; now, Administrative Inspector of the Recovered Districts from the Communists in Kiangsi; address: c/o Department of Civil Affairs, Kiangsi Provincial Government, Nanchang, Kiangsi.

邵鴻基字承彥，年四十五歲，河北省玉田縣人，奉天高等巡警學堂畢業，曾任警隊長，警察署長，督察長，陸軍營團長，冀豫陝邯鄲任邱鞏縣信陽涇陽等縣縣長，現任國民政府監察委員，新任江西收復區行政督察專員。

Government Pays $300,000 to Nanking University in Bonds

An echo of the burning of 12 buildings belonging to the University of Nanking when the Northern Expedition Army entered that city in 1927 was heard last week when it was announced that one-third of the $300,000 donation promised by the National Government in 1927 to the University of Nanking has recently been paid in Government bonds. The national government, after examination, promised to pay the total amount of $360,000 caused by damage. When the property was burned it belonged to five American mission boards which founded the university; the loss was, therefore, included in the list of damage to American properties. Soon after the establishment of the national government in Nanking in July, 1927, the five American mission boards handed over the administration of the university to a group Christian Chinese closely connected with the university. The board of directors was reelected with an large majority of Chinese members. Dr. Y. G. Cheng, an alumnus and a professor of chemistry in the university, was elected president. Following negotiations the government agreed to pay $300,000 to the university in the form of a donation for the building of a new library. However, owing to the fact that the financial condition of the national government was constantly in narrow straits, payment of the donation has been repeatedly postponed. Dr. H. H. Kung, the present minister of finance, has, however, decided to fulfill the promise of the government, agreeing to pay the whole donation by three equal instalments, $100,000 each.

Central Bank of China Has $73,489,797.00 in Circulation

The Central Bank of China as of July 10, 1934 according to the report of the supervisory committee, had a total, of $73,489,797.00 of dollar notes and subsidiary coin in circulation. The reserves to an equal amount included cash $60,035,797.00; securities reserve, $13,454,000.00. Customs gold notes in circulation, C. G. U. 373,324.70, fully secured.

CUSTOMS NOTIFICATION NO. 1375

I am to-day handing over charge of this office to Mr. F. D. Goddard, appointed Commissioner of Customs, Officiating, during my temporary absence from the port.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 13th July, 1934.

CUSTOMS NOTIFICATION NO. 1377

The public is hereby notified that in accordance with Government instructions all kinds of copy-books, whether foreign or Chinese, are to be exempt from interport duty on movement coastwise, the exemption to take effect from the 7th July, 1934.

H. O. Tong,
Superintendent of Customs.

F. D. Goddard,
Commissioner of Customs,
Officiating.

CUSTOM HOUSE,
Shanghai, 17th July, 1934.

Who's Who in China

(with Supplement)

The standard edition of *Who's Who in China*, published in 1931, has now been brought up to date through the publication of a 200-page supplement. The two books contain the pictures and biographical sketches of the leading men and women of affairs, in government service, business and the professions.

It's the only work of the kind in the English language, is fully indexed in both English and Chinese and most of the sketches contain the latest addresses in addition to information pertaining to date and place of birth, education, careers, etc.

No business office, home, school or public library is complete without *Who's Who in China* giving complete information about the leading men and women of affairs in the Chinese Republic.

If you already have the standard edition published in 1931, order the Supplement only. If not order both books. The prices in Chinese silver or U. S. currency, including postage are as follows:

	(In China)	(Abroad)
Standard Fourth Edition (1931)	$10.00 Ch.	$11.50 Ch. or U.S.$4.00
Supplement	2.50 Ch.	3.25 Ch. „ U.S. 1.00
Both Books	11.50 Ch.	13.50 Ch. „ U.S. 4.50

Send orders with check or postal order to the undersigned.

The China Weekly Review

160 Avenue Edward VII
Shanghai.

Men and Events

F. T. Durdin, managing editor of the *China Press*, Shanghai, accompanied by M. I. Appelman, is spending a vacation in Japan.

The death occurred in Peiping, July 14 of Liu Fu, Professor of Literature at the Peiping National University and a noted scholar.

The National Vocational Education Conference opened in Nanking July 13 at the building of the Kiangsi Provincial Department of Education.

Reports from Hsuchow state that upwards of a hundred people in that city have died as the result of a cholera epidemic which is raging there.

Rev. Frank Shunk Downs, pastor of the First Presbyterian Church of Berkeley, California, occupied the pulpit of the Community Church, Shanghai, July 15.

The *Shun Shih* News Agency celebrated its 10th founding anniversary July 18 by a garden party given at the residence of T. B. Chang on Route Dupleix.

Hallett Abend, correspondent of the New York *Times*, is returning to the United States. He departed from Shanghai in the s. s. *Empress of Russia* July 15.

Walter Dirks, German Consul in Dairen since the Consulate was first established in 1926, has been recalled to Berlin. He is succeeded by Ernst Bischoff, German Consul at Kobe.

Francis Millington, managing director of Millington Limited, Shanghai, and Miss Constance Lacey of Colchester, England, were married at a quiet ceremony in Shanghai July 17.

The s.s. *Winifred Moller* brought 248 head of daity cattle from New Zealand to Shanghai, this week. They are being distributed to various Chinese buyers between here and Hangchow.

Brtish paint manufacturers are promoting a joint British-Chinese enterprise to manufacture paint in Shanghai. The company will have in capital of approximately $1,500,000.

The reorganized Central Committee for the Custody of Ancient Relics was formally inaugurated at Nanking July 12 at the auditorium of the Executive Yuan. Fu Ju-lin presided.

The Japanese Information Service at Tientsin states that as result of the breaking up to a great exent of Chinese smuggling activities out of Dairen, legitimate business, particularly in sugar, in Tientsin has been given a spurt.

Grace Liang, daughter of M. T. Liang, former Minister of Foreign Affairs, and Mrs. Liang, is contemplating leaving shortly for Oberammergau to see the Passion Play, and to visit England and other countries as well.

Miss Gertrude Sutterle, daughter of F. W. Sutterle, Jr., and Lucius Roy Holbrook, son of General L. R. Holbrook of New York were married at the Community Church in Shanghai July 17 by the Rev. Dr. Nichols.

An investigation party of overseas Chinese from the Netherlands East Indies, called on General Ho Ying-chin, and General Ho Chi-kung, Chief Secretary of the Peiping Political Affairs Readjustment Committee, July 12.

Corporal William A. Allen of the 4th U.S. Marine Corps and Miss Olga Ussenke were married at the American Consulate in Shanghai July 14 by Chaplain J. Brooks. The groom's home in the United States is Atchison, Kansas.

The China Educational Film association, which recently met in Nanking, to review the progress of the Chinese film industry, pronounced "The Two Sisters", starring Miss Butterfly Wu, as the the best talking picture produced in China.

A fleet of model Chinese junks has been presented to the South Kensington Museum in London by Sir Frederick Maze, Inspector-General of Chinese Customs. They were built by Chinese craftsman on Sir Frederick's instructions.

The best quality rice in Nanking now sells at $12 per picul. As the price is likely to rise higher the Nanking rice merchants have asked the Municipal authorities for credit facilities to import several thousand tons of foreign rice so as to guard against a future shortage.

Miss Pherbia Thomas, sister of Lowell Thomas, well-known American journalist and author, is a visitor to Shanghai. She is collecting material on the Fast East, much of which will be used by the National Broadcasting Company net-work in the United States in news programs.

Complaints were aired in the House of Commons July 11 that the British Consulates at Newchwang, Ichang and Tsinan had been closed. Sir John Simon stated that deaths, illness and resignations had caused a dearth in staff, but promised that these consulates would be reopened in due course.

The Indo-Japanese commercial accord was signed in London, July 12 at the Foreign Office by Sir John Simon, the foreign secretary and Sir Samuel Hoare, secretary of State for India, in the name of Great Britain, and by Tsuneo Matsudaira, Japanese Ambassador at the Court of St. James for Japan.

The death occurred in Shantung this week at the age of 60 of the Rev. Stephen Richarz of the Society of the the Divine Word while making geological studies. His death is ascribed to the heat wave.

Vladimir Romm, former correspondent in Tokyo for the Soviet news agency, *Tass*, has been sent to Washington as the first permanent correspondent of the Soviet Press in the United States.

A memorial service for the late Hu Wei-te, one-time Minister to France, who died in Peiping, was held at the Returned Students' Club in the former capital July 15. His son, Hu Shih-tse (Victor Hoo), Minister to Switzerland on furlough, was the chief mourner present.

Harvey S. Firestone, Jr., Vice-President of the Firestone Tire and Rubber Company, broadcast an address April 11 on "Building International Good-Will Through World Trade," over the net-work of the National Broadcasting Company at the invitation of the International Committee of the Y.M.C.A.

Italian sailors and a number of ricsha coolies came to blows on the night of July 14 in the North Szechuen road district as the result of a dispute over fares. In the ensuing melee an Italian named Mircros, from the gun-boat *Sabastiano Caboto* received knife wounds, from the results of which he later died in hospital.

The British Calico Printers Association has brought to Shanghai from Bolton, Lancashire, a group of twelve expert operatives, including three young women ,who have been placed in a local cotton mill controlled by the Association. One of them is only 18 years of age, but is an expert in the processes of carding.

One-third of the United States Marine forces in Haiti, were removed from the island July 13. They are being sent to San Diego and Quantico. American Marines in Haiti, the last of American armed forces in Latin American countries, must all be withdrawn by October 1, 1934, under terms of a treaty between Haiti and the United States.

The Foot Ease Hosiery Mill, Chinese owned, which suspended two years ago, was reopened this week at the East Yuhang Road site. The mill has been taken over by the Hing Kee concern which will operate the factory using the old name Foot Ease for its products. The Foot East mill was one of the victims of the Japanese "War" on Shanghai.

Keith Doull, son of Bishop Doull, retired, and Mrs. Doull of the Cootenays, B. C., Canada, has taken over temporarily the office of Canadian Trade Commissioner in Tientsin in the absence of Paul Sykes, who is enroute to Ottawa to report to the Canadian Government on business conditions in China. Mr. Sykes will be absent about six months.

The banning of H. G. W. Woodhead's journal *Oriental Affairs* came up for discussion in the House of Commons in London July 12. When a Conservative member urged "strong representations" to China, Anthony Eden, Lord Privy Seal, expressed the opinion that friendly representations would be a more likely way to settle the matter.

Chinese customs receipts since enforcement of the new import tarfff schedule on July 1 are stated to be increasing rapidly. In the event the rate of increase is continued, to the end of the 12-month period on June 20, 1935, they will be an increase in the Customs receipts of more than $10,000,000, according to Ching Feng, Vice-Minister of Finance.

An attempt was made by a group of about 30 bandits to wreck the through express from Peiping to Shanghai 17 miles north of Tsinan early in the morning of July 12. The bandits started operations by discharging rifles. They fled, however, after an exchange of shots with local militiamen. As a result of the incident the number of troops along the line has been increased.

Speaking at the annual conferuce of the British Commonwealth League, in London, Lieut.-Comm. Haslewood said that slavery still exists at Hongkong under the "mui tsai" system. The conference adopted a resolution pressing for the registration of all girls already purchased, for the prohibition of further purchases of girls for any purpose, and for the institution of a far more comprehensive Inspectorate.

Dr. Sven Hedin, world-famous Swedish scientist and traveller, and his party of nine men, including four other foreigners, who were reported to have been captured in Sinkiang Province, according to a message received in Peiping last week, were later ascertained to be safe at Urumchi (Tihwa). Dr. Hedin, who is 69 years of age, and a native of Stockholm, is most famous for his explorations of the Gobi Desert and Himalayas. He has written many books about his travels.

British Ask Questions About Closing of Chapu

A Holman, First Secretary of the British Legation, called on Hsu Mo, Political Vice-Minister of Foreign Affairs, at Nanking July 13. During their 40-minute interview, the British diplomat inquired about a recent order of the Chekiang Provincial Government requiring the evacuation of all Chinese and foreign residents from Chapu. which is to be turned into a "fortified zone" in accordance with the instructions of the Army General Staff Department.

New Type Helmets Adopted for Fourth Marines in Shanghai

The Fourth Marines in Shanghai have been provided with a new type of cork helmet. Although the Marines have worn a similar type of headgear during their service in Nicaragua and Haiti, this is the first summer that it was made a part of the regulation uniform in Shanghai. The adopted helmet is a sturdy but lightweight one with good ventilation. It is provided with a spring band on the inside to relieve pressure on the forehead. An admirable feature of the new helmet is that it blends well with the khaki uniform. The medical department of the Marines has given its hearty endorsement to the new type of headgear.

Picture Shows Type of Tropical Helmet Adopted for Summer Wear by the U. S. Fourth Marines in Shanghai.

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China Year Book 1934

The China Year Book should be immediately accessible to the staff of every office in China. Its 850 pages cover the whole field of political, financial and commercial activities in easy reference form, and makes its absence a definite handicap as much to the small trader as to the diplomat. Very little of the contents of this edition has appeared in previous issues. In the current issue, among other important documents, will be found:—

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FATHER E. GHERZI: THE CLIMATE OF CHINA
MR. E. KANN: CURRENCY AND BANKING
FATHER P. M. D'ELIAS R. C. MISSIONS
DR. TA CHEN: LABOUR PROBLEMS
DR. M. T. Z. TYAU: GREATER SHANGHAI
MR. OWEN LATTIMORE: CHINESE TURKESTAN AND MONGOLIA
REV. C. L. BOYNTON: PROTESTANT MISSIONS
DR. J. B. GRANT: PUBLIC HEALTH

The Editor, who is himself a leading authority on Chinese affairs, is the author of several works on China, Editor of "Oriental Affairs" and has lived for over thirty years in the country.

On sale at all the leading booksellers or from the printers and publishers:

North-China Daily News & Herald, Limited

17 The Bund, Shanghai.

New Books of Interest in the Far East

The 1934 Anti-China Year Book

China Year Book of 1934; *edited by H. G. W. Woodhead, C.B.E.*; *published by The North-China Daily News and Herald Ltd., Shanghai*; 854 *pages*; *prices, Shanghai* $20.

In many respects the 1934 issue of the *China Year Book*, which is the sixteenth issued by Mr. Woodhead, is a distinct improvement over its immediate predecessors, particularly the issues of 1932 and 1933. Not only is the presentation of data somewhat better, but there is much new and valuable material. The chapter on Sinkiang has been rewritten by Owen Lattimore, who has also revised the chapter on Mongolia. A study of the Catholic Church during the Nationalist era has been contributed by Father P. M. D'Elia, S. J., and an extensive survey of Protestant missions is offered by the Rev. Charles L. Boynton. Both accounts, however, paint a far more rosy picture of Christian progress in this country than is probably justifiable. The Catholic Converts number only 2,624,166; Mr. Boynton ventures no statistics on the actual number of Protestant Christians extant today.

The chapter on currency has been revised by E. Kann who also contributes an excellent study of Chinese Government Loans. Trade statistics for 1932 and 1933 are included and there is a new chapter on the Chinese press. The new metric tariffs of February 1 of this year are given, but the value of this section has been diminished by another revision of the tariff almost simultaneously with the publication of the *Year Book*. The Rajchman report is printed in full.

However, despite the improvements, the *Year Book* is still very inadequate in some aspects and, as should be expected since it is edited by Mr. Woodhead, it is distinctly anti-Chinese insofar as material pertaining to Sino-Japanese and Sino-British relations are concerned. The chapter on Manchukuo, or "Manchukuo" (as Mr. Woodhead spells it), might have been written by the Japanese Foreign Office.

In both the preface to the *Year Book* and in the opening lines of the chapter on Manchukuo, Mr. Woodhead explains that it would be misleading to include material relating to Manchuria in the chapters devoted to China, adding in the preface that the separate chapter "is intended solely for the convenience of the reader, and is in no way a pronouncement of judgment on the status of the new States." With this, of course, there can be no reasonable dissent except that he characterizes Manchukuo as a "new state"—which is a sheer pro-Japanese propagandist designation in view of the obvious fact that it has been created and is largely, if not entirely, governed by Japan. But regardless of the status of Manchukuo, it is not now a part of China, and can be logically dealt with only as a separate area.

However, the *manner* of dealing with it quite another matter On page 217, Mr. Woodhead recounts the killing of Chang Tso-lin by the bombing of his train just outside of Mukden on June 4, 1928, adding that "a joint Sino-Japanese investigation into the outrage was held, but no joint report was ever published, and the incident is still enshrouded in mystery." Not even the barest mention of the very important fact that the Chinese and also foreign observers charged, with much circumstantial evidence, that the Japanese were responsible for the bombing! Yet that charge, whether true or untrue, had an important bearing on subsequent Sino-Japanese relations. Doubtless, however, Mr. Woodhead dares not expose himself to the warth of the "divine" master in Tokyo by giving students of the Far East the benefit of this information.

On Page 221, in discussing Manchurian railways, Mr. Woodhead says: "As is well known, the Russians and the Japanese may claim most of the credit of the railway development, at least until the last few years of the Chang regime, when the Changs discovered that railways might be profitable and that they might also cause great irritation to the Japanese . . . Most of them (the Chinese lines) were fairly well constructed by Chinese engineers and with Chinese funds, although a great part of these funds was taken from the earnings of the Peiping-Mukden line, which were due to British creditors, who had to go unpaid in consequence. These lines contributed to the opening of new lands for development and would have done much better if it had not been for the fact that they were conducted for the main purpose of serving the political aims and to fill the purses of the Manchurian military clique."

Now, while none of these statements can be said to be wholly false, they are patently pro-Japanese propaganda. To be sure, the Changs built railways to profit from them, to serve their "political aims," and to counter the Japanese economic penetration into the country. But to indicate that they built them to irritate the Japanese is so petty that it is not even good propaganda. Looking at the situation wholly objectively, it cannot be denied that the Changs had at least as much right in Manchuria as the Japanese. Further, the Japanese South Manchuria Railway was used just as much to serve Nippon's imperialistic aims and fill the purses of Japanese politicians as the Chinese railways were built to serve the politicial aims of the Changs and fill their purses. Mr. Woodhead, however, never mentions that. Nor does he mention that the railways the Japanese are now building in Manchuria are primarily for Japanese military purposes against the U.S.S.R. instead of for economic development. His version of the present railway construction is merely that (Page 221) "several new lines were built during 1933 by the South Manchuria Railway Co. for the Manchukuo Government". Which assuredly leaves a lot unsaid that the Japanese want left unsaid!

On Page 224, Mr. Woodhead states briefly and categorically that there exists a Sino-Japanese agreement of 1905 "by which China undertook to build no railways paralleling the S.M.R. line." This is blatant Japanese propaganda; it is true that Tokyo claimed such an agreement was concluded, but it was always denied by China, and the Lytton investigation indicated that the so-called treaty was based on nothing more substantial than the minutes of a meeting in which the Japanese made the demand that the Chinese refrain from building parallel lines.

Throughout his chapter on Manchukuo, Mr. Woodhead never gives any clear intimation of the role of the Japanese there. Everywhere the impression is conveyed that Japanese individuals and organs, such as the S.M.R., are operating as servants of the "new State" and not as conquerors. But, of course, such a presentation is precisely what one should expect from Mr. Woodhead; otherwise, Japanese advertisements would doubtless disappear from the pages of *Oriental Affairs*.

Mr. Woodhead's scholarly impartiality is further revealed in the chapter on "Greater China." The sections on Mongolia and Sinkiang are by Mr. Lattimore; the section on Tibet is unsigned. In dealing with Sinkiang, Mr. Lattimore says (on Page 84) that "how far the complete economic integration of Sinkiang with the U.S.S.R. can be accomplished without political action is debatable; but economically it can no longer by considered anything but a province of the U.S.S.R." Later (on Page 87) he says that "the normal opinion in India has long been that Chinese rule in Sinkiang was essential, in order to prevent too close contact between the British Empire and the U.S.S.R."

While a sly bit of anti-Soviet propagands may be detected in the first part of the statement first quoted, it is true that at least most of Sinkiang is economically tied-up with the U.S.S.R. There is also reason to believe that Britian does desire to keep Sinkiang as a buffer state. But while very forthright in dealing with Soviet economic penetration into Sinkiang, he makes no mention of British intrigue in the area, particularly in the Kashgar region, nor does he even intimate that the Japanese have been displaying some interest in the province. The recent Kashgar "independence" movement is entirely ignored. There is, however, a delicately worded admission (Page 87) that since 1930 "it became possible to import arms hrough India" into Sinkiang!

In dealing with Outer Mongolia (Page 77) Mr. Lattimore says that "a very large proportion of the people of Outer Mongolia would like to break away from the Union of Socialist Soviet Republics," while on Page 78 he says that the government of Outer Mongolia "on the whole, is not only strongly Mongol in color, but represents a growing proportion of the people." Later, he admits the Outer Mongolians are receiving much Soviet aid in the form of veterinary service for their cattle, instruction for improved breeding, and medical and educational services.

Discussing the Inner Mongolian autonomy movement on Page 79, Mr. Lattimore conveys the impression that it is wholly Mongol with the Mongols merely "attempting to find out whether they can get better terms from China or Japan and Manchukuo." No mention whatsoever is made of the known Japanese intrigue among the Mongols, such as that carried on by the late Captain Nakamura with his diplomatic heroin,—and that he was carrying heroin was admitted by the Japanese themselves. Without doubt, the Mongols today are ready to welcome Japanese assistance against the Chinese, and the Mongol princes, lamas and other parasites, are anxious for Japanese aid to restore them to glorified idleness in Soviet Outer Mongolia,—but a friend of, and authority on, the Mongols like Mr. Lattimore should know that once they have played their role as pawns in Tokyo's imperialistic chess game, they will treated as ruthlessly by the Japanese as they ever have been by the Chinese, and far more ruthlessly than they ever have been by the Soviet Union.

The section on Tibet shows little change from previous issues of the *Year Book*. The old stuff about the "justice" of Tibet's claim to Western Szechwan is repeated and no mention is made of the British grip on the "Roof of the World" although England's dominance there is far more pronounced than the Soviet Union's dominance in Sinkiang.

The chapter on "Labor," by Ta Chen, Tsing Hua University, Peiping, is quite extensive and contains much valuable information. Of course, the subject is handled rather gingerly. The boast is made (Page 275) that "it appears that labor in China is growing in organization and in intelligence," whereas in sad truth, Chinese labor is without any organization save gangster or government dominated unions, and is supine under terroristic oppression. Whether or not this represents "intelligence" depends on the viewpoint. The statement is also made that "it now seems impossible to enforce the Chinese Factory Law in its entirety." Possible, or impossible, it is not enforced at all.

The chapter on "The Kuomintang" is extensive enough, and also quite complete in dealing with Canton-Nanking-Fukien differences. But only one paragraph of 24 lines (on Page 251) is devoted to the Communist movement and the constant efforts to suppress it. Previous issues of the *Year Book* have been equally deficient in this respect. Yet the Communist movement, regardless of its ultimate destiny, has been the most significant internal development in modern China and the key to understanding practically all other developments, both internal and external, since 1927. If it had not been for the Communists, the Nationalist Revolution would have followed a vastly different course. Also, if it had not been for the Communists, Sino-Japanese relations would have been greatly altered, for the Nanking Government and the group it represents feared communism far more than they did imperialism, and consequently the anti-Red campaign took precedence over opposition to Japan.

But one cannot find any inkling of these very important facts in the present, or in recent, issues of Mr. Woodhead's *Year Book*. Yet the prospectus of the present *Year Book* proclaims that "within its covers the student, the publicist and the politician is likely to find every fact and figure he may require regarding China today."

Even the few lines about the Communist movement are not up-to-date and give no data on the present extent of the Reds. The Communists, however, are charged with "taking advantage of the Manchurian situation;" it would be far more correct to say that *the Japanese took advantage of the Communist situation.*

In view of the notorious anti-Chinese attitude of Mr. Woodhead, formerly on behalf of his native England and more recently on behalf of Japan and his little "blood brother," Henry Pu Yi (affectionately known among correspondents in Manchuria as "Pooh Pooh, the pup") it has been surprising to note year after the year the number of prominent Chinese and outstanding Chinese institutions that assist in the preparation of the *Year Book*. This year, surprise turns to astonishment in light of the record of his glaringly pro-Japanese *Oriental Affairs*.

Chinese participating in preparation of the 1934 *Year Book*, according to the preface, include Dr. M. T. Z. Tyau, C. A. Pao, H. C. Meng, Dr. S. G. Cheng, J. Lu, C. S. Ho, Y. Y. Lu, C. J. Poon, Dr. T. O. Lee, T. G. Tsai, Dr. P. W. Tshu, P. S. Lum, Z. O. Bau, Dr. Carl Y. C. Tseo, J. C. Heong, M. Y. Yao, Dr. Ta Chen, and Dr. W. H. Wong. To be sure, it might be argued that these men are sacrificing themselves to get something of China's viewpoint in an otherwise anti-Chinese volume,—but in sections with which some of them are credited that deal with Sino-Japanese affairs, there is certainly nothing pro-Chinese. Of course, these accounts doubtless would have been distinctly anti-Chinese had Mr. Woodhead written them, whereas they are now merely rather dry factual records.

But to participate, or not to participate, is a question for the conscience of the Chinese, and not for this reviewer. Anyway, notwithstanding Mr. Woodhead's low opinion of the Chinese, he uses part of his preface to express profound gratitude to his Celestial colleagues. Then he adds: "The Editor is also indebted to the staff of the Postal Administration"—which recently banned his *Oriental Affairs* from the mails!

W. B.

Miss Smedley Condemns Shanghai

Agnes Smedley, American woman writer, who formerly resided in Shanghai is the author of an article in the June 13 *New Republic*, entitled "Shanghai Episode," which constitutes a most devastating attack on the police administration of the International Settlement." The article deals with the arrest of Chinese accused of communist or radicalist tendencies within the Settlement by the authorities of the Chinese Municipality of Greater Shanghai. In this connection the charge is made that while the Settlement Municipal Prosecutor requires *prima facie* evidence before Chinese accused of ordinary crimes are "handed over" to the Chinese authorities, this rule is not enforced where the accused Chinese is alleged to have been concerned in so-called "political" activities. In such cases the accused are handed over without delay. Miss Smedley designated Shanghai as the "citadel of Far Eastern colonial reaction."

The "Re-Thinking Missions" Movement

"Modern Missions Movement" is the title of a brochure published by the executive committee, 77 West Washington Street, Chicago. It contains a brief history of the survey of mission fields made last year by a committee of laymen, the funds for which were furnished principally by John D. Rockefeller, jr. The purpose of the "Re-Thinking Missions Movement" is described as being: "To foster the further consideration of the possible world service of Christianity as indicated by the Laymen's Foreign Missions Inquiry; to serve as a medium of information; and to cooperate with any Board, Church or other agency which is making effective the principles and recommendations of the Report."

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THE CHINA WEEKLY REVIEW

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Text of Dr. L. Rajchman's Report on League Co-operation with China

(Continued from last week)

It may be assumed that the motor-cars imported into China are, except for military purposes, used either in the industrial areas or for the motor-bus services described in the above table. Since no motor cars are manufactured in China, the Customs returns showing the imports of cars give a clear indication of the growth of traffic:—

Year	No. of Cars		Motor-cycles
	Freight.	Passenger	
1926		4,499	655
1927		3,328	419
1928		4,065	570
1929	4,142	4,639	707
1930	1,933	2,347	458
1931	1,435	2,315	552
1932	1,227	2,882	282

Principal Ports of Entry—

Port	1927	1928	1929	1930	1931	1932
Dairen	959	1,096	1,878	527	10	187
Tientsin	657	299	976	514	179	204
Kiaochow	248	168	333	179	116	98
Hankow	—	88	438	144	142	143
Shanghai	1,104	1,661	3,777	1,866	2,097	2,523
Amoy	52	23	289	135	153	132
Canton	155	116	134	265	274	310
Kowloon	56	91	25	154	222	302

Principal Countries of Origin—

Country	1927	1928	1929	1930	1931	1932
U.S.A.	1,105	1,600	3,527	1,332	1,541	2,811
Canada	223	265	161	132	62	21
Great Britain	249	225	392	233	229	886
Japan*	679	1,140	3,582	1,795	979	80
France	191	180	225	203	172	108
Hongkong	484	672	864	650	760	79

These figures are supplied by the Roads Bureau of the National Economic Council.

In connection with the above table it is of interest to note since 1930 the tariff on freight motors was put at 15% and on private cars at 30%. The Customs did not before 1920 differentiate between private motor-cars and freight trucks and buses.

9.—The fuel required for motor vehicles presents another problem of capital importance. Home-produced oil is not as yet commercially available. The price of imported petrol at seaports is 70 cents, which is 60 cents above cost price on the Pacific coast of the U.S.A. The total importation during the five years 1928-1933 has been American gallons 143,519,000. In the interior of the country such figures as are available show that the cost is rising to $1.20 at Tungkuan and $6.00 at Liangchow in the North-West, which, together with the cost of lubricating oil, makes the running cost of a car particularly heavy in relation to the economic standards of the population.

*These are presumably re-exports from assembly plants established in Japan.

On the other hand, plentiful supplies of coal are available in many provinces, both at the seacoast and in the interior of the country. Accordingly, the extraction of fluid and gaseous fuel from coal has attracted attention, and the commercial possibilities as applied to the various types of home-extracted coal are now being tested. A sum of $100,000 has been earmarked in the budget of the National Economic Council for 1934 for studies in fuel to be undertaken by the National Geological Survey.

10.—As the cost of motor transportation must well be a factor determining its expansion in the country, the need for the standardization of the type of vehicle and for experimentation with the various kinds of engines is clear, as well as the interest taken in experimentation with various kinds of motor-engines to discover the types best adapted to the needs of the country.

There are many considerations involved, one of which is that different kinds of vehicle require different types of road. Most of the roads constructed are light roads, some of them, particularly in the North, being easily damaged by the wheels of the old-type horse carts. This has led to a movement, now happily abandoned, to prohibit the use of roads to all but motor-cars. But to build roads suited to heavier cars or heavy trucks requires a considerable capital outlay and a heavy maintenance cost. All the above considerations have led certain of the provinces, e.g., Kwangsi, one of the southern areas and one of the first to push forward with road-building, to regret that railways had not been built when the movement was initiated, and to consider seriously the possibility of operating roads with horse-drawn coaches so as to stimulate traffic now restricted to a very few rapidly-deteriorating cars. The need for horse-drawn vehicles is being emphasized by several provinces, including those of the North-west, where horses are available.

The Roads Bureau has included in its programme for 1934 the study of the various types of vehicles—mechanically-propelled, horse-drawn, and also adapted to the possibilities of human traction assisted by mechanical devices.

TABLE I.

ESTIMATED COST OF CONSTRUCTION OF THE INTER-PROVINCIAL HIGHWAYS IN THE SEVEN PROVINCES

Name of Province	Length to be constructed (in Km.)	Estimated Cost of construction (excluding Earthwork)	Amount to be extended by the Council
Kiangsu	349	$1,872,400	$621,000
Chekiang	798	4,229,000	1,258,000
Anhwei	414	1,705,600	487,200
Kiangsi	1,399	2,831,900	962,800
Hupeh	594	2,370,900	888,400
Hunan	303	1,074,900	430,000
Honan	384	1,396,400	438,600
Provision Fund	—	—	414,000
Grand Total	4,241	$15,481,100	$5,500,000

Estimated Cost of Construction of the Inter-Provincial Highways in Other Provinces for the Year 1934

TABLE II.

Line	Section	Length in Km.	Description of Work	Cost per Km. (excluding Earthwork)	Estimated Cost of Construction	Amount of Loans to be extended by the Council
Nanping-Kiangshan Line	*Nanping-Fengling	234	Roadbed, Bridges and Culverts	$3,600	$ 842,400	$ 337,000
Lishui-Kienou Line	*Kienou-Patu	137	,,	,,	493,200	197,300
Nanping-Changting Line	Nanping-Changting	320	,,	,,	1,152,000	460,800
Provision Fund						304,900
Grand Total		691			$2,487,600	$1,300,000

Estimated Cost of Construction of the Important Highways in the North-western Provinces

TABLE III.

Line	Section	Length in Km.	Description of Work	Cost per Kilometre	Total Cost of Construction
Sian-Lanchow Line	Sian-Lanchow	780	Improvement Works	$ 500	$ 390,000
Lanchow-Suchow Line	Lanchow-Kulang	200	Roadbed, Bridges, Culverts and other		
	Sian-Chikiachai	150	Roadbed, Bridges and Culverts	11,500	300,000
			Improvement Works	800	120,000
Sian-Hanchung Line	Chikiachai-Hanchung	300	Roadbed, Bridges and Culverts	2,500	750,000
Grand Total		1,430			$1,500,000

Estimated Cost of Construction for the Improvement of Road Surface on Important Highways for the Year 1934

TABLE IV.

Name of Highways	Section	Length in Kilometers	Estimated Cost of Improvement	Amount of loans to be extended by the Council
Nanking-Hangchow Highway	Kujung-Liyang	105	$113,930	$ 50,000
	Ishing-Tungtang			
Shanghai-Hangchow Highway	Minhang-Kinszenianchiao	46		
	Kinszenianchiao-Chapu	46	220,000	100,000
Grand Total		21	$100,000	$ 50,000

(To be continued)

Opportunities for Business Connections in U. S. A.

Persons desirous of communicating with firms listed herewith are requested to write the commercial office of the American Consulate-General at Shanghai, giving number of specific item in which interested:—

162 —A firm of cigar manufacturers in Louisville, Kentucky, wishes to get in touch with cigar brokers.

163 —Shanghai American firm of forwarding agents, wants to purchase excelsior for packing household effects.

164 —A Los Angeles firm is interested in securing the services of a manufacturer's representative to market its plumbing specialities.

165 —A San Diego, Calif., firm is desirous of making a connection with an export and import brokerage firm that can handle its various lines of canned goods and other commodities of a like nature for distribution in the East, and also work in the distribution of products of the Orient in the United States and Mexico.

166 —A Saint Louis, Mo., firm desires to secure the services of a representative interested in handling, on a commission basis, commercial electric refrigeration and ice cream equipment, modern and specially designed electric fixtures for homes and public buildings, and stainless steel kitchen equipment.

167 —New York manufacturers are anxious to obtain a distributor in Shanghai and in outports for their product, a pest destroyer.

168 —A firm of general merchants, with head office in Swatow, and branch offices in Shanghai, Amoy, Hongkong and Canton, wishes to represent American firms in South China.

169(387)—A Philadelphia firm offers a line of garden and vegetable seeds.

170(388)—A Chicago firm offers a line of electric refrigerators.

171(389)—A New Jersey firm offers machinery for manufacturing Neon signs, incandescent electrical lamps, etc.

172(390)—A Massachusetts firm offers remnants, shorts and pound goods.

173(391)—A Seattle firm wishes to market dry salted whole salmon.

174(392)—An Indiana firm offers a line of enameled ware kitchen utensils.

175(393)—A Minneapolis firm wishes to market printing machinery and rebuilt platen presses.

176(394)—A New York firm offers a complete line of moderately priced American shoes for men and women.

177(395)—An Ohio firm offers a line of wrenches, pipe cutters, die stocks, vises and other tools.

178(396)—A Los Angeles firm offers Valencia oranges, California canned mackeral, refined borax and used tractor trucks.

179(397)—A New Jersey firm offers a line of rubber ink and pencil erasers.

180(398)—A New York firm offers a line of radio receivers, public address systems, amplifiers and other radio accessories.

181(399)—A New York firm offers a line of radio receivers and electric refrigerators.

182(400)—A Pittsburgh firm offers armored cable, fire-resisting rubber covered electric wire and other electrical accessories.

183(401)—A Cleveland firm offers piston rings for controlling lubrication.

184(402)—A Rochester, New York, firm offers a complete line of glass-lined process units for the dairy, ice cream, butter, food, chemical, pharmaceutical, cosmetic, brewing and distilling industries.

185(403)—A telegraph operator in Memphis, Tennessee, seeks local employment.

186(404)—A Chicago firm offers a complete line of automobile tools, accessories and replacement parts.

187(405)—An aviation instructor seeks employment.

188(406)—A Cleveland firm offers a rust preventive and arrester, and a fluid for waterproofing canvas.

189(407)—A San Diego firm offers a line of steel oil burning ranges for hotels, domestic and marine use, as well as hot air furnaces, hot water heaters and burner units.

190(408)—A Rochester, N. Y., firm desires to market its carbon paper and typewriter ribbons.

191(409)—A New York firm offers a line of radio and electrical equipment.

192(410)—A Los Angeles firm offers fresh, canned and smoked meats, lard and oleomargarine.

193(411)—A Hollywood firm offers a complete line of cosmetics including luminous cosmetics.

194(412)—A California nursery desires to market fruit trees, ornamental plants, bulbs and flowers.

195(413)—An Ohio firm desires an agent for feed grinders, fodder shredders, suction blowers and other silo machinery.

196(414)—A Detroit firm offers belt lacers and devices for lacing belts.

197(415)—A firm in New York desires to market wearing apparel, novelties, hardware, kitchen utensiles, canned food and toys.

198(416)—A Chicago wholesaler wishes to sell automotive, electrical, airplane and radio parts.

199(417)—A New Jersey firm offers a line of confection and laxative gums.

200(418)—A Cleveland firm offers a line of automotive parts and accessories, including fittings, gasoline and oil-proof hose, dash controls, high pressure grease hose, etc.

201(419)—A firm in Utica, New York, offers spray pumps and lawn sprinklers.

202(420)—A North Carolina broker offers used cotton spinning and weaving machinery sufficient for a complete plant.

203(421)—A Philadelphia firm offers electric arc welders for auto service equipment.

204(422)—A Chicago firm offers flexible shafts, grinding and polishing machines, rotary files, metal pattern makers' machines, power screw drivers, nut-setting machines and auto body and fender finishing machines.

205(423)—A well-known Chicago firm offers fire-proof building material, plasterings bases, plaster exterior stucco, metal lathes for roofing, wall board, paint products and sound absorbing materials.

206(424)—A New York firm offers motion picture films, projectors and accessories.

207(425)—A New York firm offers its services as export agents.

208(426)—The Chamber of Commerce of Vancouver, Washington, desires to be placed in touch with firms interested in plywood, milled and unmilled, paper of all types, woolen goods, milled and unmilled, canned fruit such as berries, prunes, peaches, pears, apples and cherries, creosoted wood pipe, linen twines, paper bags.

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209(427)—A New York firm offers a line of toys including electrical kitchen toys, paper doll sets, cap pistols and roller skates.
210(428)—A woman about to establish a gift shop in Washington desires to hear from exporters of Chinese linens and novelties.
211(429)—A Tacoma, Washington firm offers used industrial machinery.
212(430)—A well-known New York firm desires to market asphalt shingles, roll roofings, waterproofing materials, sheetings and building papers and protective paints.
213(431)—A New York firm offers general mechandise for men, women and children, including ladies' silk dresses and underwear.
214(432)—A Los Angeles firm offers all types of truck bodies ready for mounting on any type of vehicle. The varieties include state, panel, ambulance, bus, refrigerator, bakery, large tank and small delivery bodies.
215(433)—A New York firm offers first and second quality men's, ladies and children's wear.
216(434)—A Pittsburgh firm offers resins and solvents used in the paint, varnish, rubber, paper, printing ink and adhesive industries.
217(435)—A New York firm offers photoelectric cells and relays, control and laboratory equipment of all types as well as sound film and public address systems.
218(436)—A New York firm of distributors offers complete service for American magazines and books.

Real Estate Review by Realty Investment Co.

The mid-town section of the Western district continues with new building. The largest permit for the week is on Medhurst Road, between Avenue and Sinza Roads. Plans have been approved for 18 Foreign residences, 5 Chinese residences and 7 garages.

This is the second large block of building in this same vicitniy within the last few months. One other permit in the Western District is for alterations to a restaurant on Bubbling Well Road, south west corner of Seymour Road.

The Northern District has the second largest permit for the week, on Haining Road, West of Chekiang Road. The permit is for 8 Chinese shops and 8 Chinese Hongs.

The Central district has just one permit, and that is alterations to the present building of the Shanghai Rowing Club.

The Eastern District has four permits, three of them are for industry. They are:

Addition to a factory, off Thorburn Road, North of Ward Road.

An open shed on Thorburn Road, North East of intersection of Kwenming Road.

Store room off Yangchow Road, North and East of Wetmore Road.

And servants quarters on Chaoyang and Ningkuo Roads.

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The National City Bank of New York, Rates of Exchange

Shanghai, July 18, 1934

Demand selling rate on America:	U.S.$100=Sh. $ 2.95
Demand buying rate on America:	U.S.$100=Sh. $ 2.91
Demand selling rate on London:	£1 0.0=Sh. $14.89
Demand rate buying on London:	£1.0.0=Sh. $14.66

Latest New York Stock Exchange Quotations

Market—Very Dull. Business Done 400,000 Shares

July 18, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. July 16	Tue. July 17
4	3	—	Adams Express	8½	8¼
13¾	11⅛	0.60	Alaska Juneau	21¾	21½
33	70¾	6.00	Allied Chemical & Dye	135¾	135
160	191½	4.00	American Can	98¾	99
107⅛	5⅞	—	American & Foreign Power	7½	7¼
19⅜	3⅛	—	American Metal Company	21⅜	21⅜
27¼	10⅜	—	American Smelting	41⅜	41½
53⅞	86½	9.00	American Tel. & Tel.	118½	118¼
134¾	50¾	5.00	American Tobacco "B"	77½	77¼
94¾	10⅞	1.00	American Waterworks	18¾	19
43¼	5	—	Anaconda Copper	13⅜	14
22⅞	5⅞	—	Atlas Corporation	10⅛	10⅛
18⅝	31	2.00	Auburn Automobiles	24	22¾
84¼	8¼	—	Baltimore & Ohio	21¾	21⅜
37⅞	10⅜	—	Bethlehem Steel	32½	32¼
49½	18	1.60	Borden Company	27⅛	26⅞
37⅝	5½	0.25	Borg Warner	22¼	22
28½	7½	—	Canadian Pacific Railway	13⅝	13⅜
20⅞	30½	—	Case, J. I.	51¼	50½
103⅓	16⅝	1.40	Chase National Bank	28⅜	28⅛
47⅞	14⅞	2.50	Chesapeake Corporation	45	45⅜
52⅓	7¾	1.00	Chrysler Corporation	40	39¾
59	9	0.50	Columbia Gas & Electric	10	10⅛
28⅓	1⅝	—	Commonwealth & Southern	2	2
6⅓	34⅛	3.00	Consolidated Gas of N. Y.	32⅜	32⅞
64⅓	4⅞	—	Continental Oil	19½	19⅛
22⅔	2⅝	—	Coty Inc.	5¾	5¾
9	1½	—	Curtiss Wright Company	3	3
5⅛	32⅞	*2.00	Du Pont de Nemours	90⅛	90
103⅞	46	3.00	Eastman Kodak	97⅜	98
100¾	10	—	Electric Bond & Share	13⅞	13¾
41⅝	3⅛	—	Electric Power & Light	5¼	5⅛
15⅜	12	—	Fox Film "A"	11⅜	11½
19	2⅞	—	General Aviation	4⅞	4¾
10⅜	10½	0.40	General Electric	20	20⅜
30¼	21	1.50	General Foods	31¼	31½
39⅞	10	*1.00	General Motors	30⅞	30⅝
42	13¼	1.00	General Railway Signal	34½	32
49½	12	1.20	Gold Dust	19½	19¼
27⅜	9¼	—	Goodyear Tire & Rubber	26½	26⅛
47½	6⅛	—	International Cement	24½	24⅜
40	13⅝	0.60	International Harvester	33¼	32¾
46⅛	6¾	—	International Nickel	25½	25½
29	5⅛	—	International Tel. & Tel.	12	12
21¾	21¼	—	Johns Manville	53¼	53
66⅜	7⅝	—	Kennecott	21½	21⅜
26	87½	2.40	Lehman Corporation	71¾	71
79⅜	49¼	*4.00	Liggett & Myers "B"	97	97
99⅜	8½	1.00	Loew's Inc.	26¾	26¾
36½	10⅜	1.20	Lorillard P. (Com.)	18	18
25¼	8⅝	—	Montgomery Ward	28	28
35⅜	16⅞	1.00	National City Banks (bid price)	27¼	27
64⅛	5⅝	—	National Distiller	21⅝	20
41⅝	14	—	New York Central	26½	26⅝
58½	12¾	8%S	North American	16	16
36⅛	31½	2.00	Owens Illionois Glass	75½	76
96¾	15	1.00	Pacific Gas & Electric	17	17⅛
31⅞	1⅜	—	Packard Motors	3½	3⅝
6⅞	13¾	0.50	Pennsylvania Railroad	29¼	29
42½	1⅛	—	Pennroad Corporation	2½	2½
6⅜	4¾	—	Phillips Petroleum	16¾	16⅞
20⅝	3	—	Radio Corporation	6¼	6⅞
12¼	26½	3.00	Reynolds Tobacco "B"	45¾	45¼
54¼	12½	—	Sears Roebuck	43⅛	43⅝
51¼	6	1.00	Socony-Vacuum Corporation	15½	15¾
19½	14½	2.00	Southern California Edison	16	16
28	5⅛	—	Standard Gas & Electric	9⅝	9½
22½	22⅝	1.00	Standard Oil Co. of N. J.	44¾	44⅝
50⅛	45¾	3.80	Sterling Products	63½	63⅞
61¾	1½	—	Studebaker	4⅛	4
9	10¾	1.00	Texas Corporation	23⅞	23⅝
30⅛	2⅝	0.12	Transamerica	6½	6⅝
9⅜	19¾	1.00	Union Carbide & Carbon	44	43
51⅞	61¼	6.00	UnionPacific	117	116⅜
133⅞	16½	—	United Aircraft & Trans.	17½	17½
46⅞	4⅛	—	United Corporation	5	4⅞
14¼	13⅞	1.20	United Gas Improvement	16	16⅛
25	2⅞	—	U. S. Rubber	17	17⅛
25	22⅝	—	U. S. Steel	38¾	38⅛
67½	21½	*2.00	Universal Leaf Tobacco	Unq.	21¾
51⅛	19¾	—	Vanadium	20⅝	20⅛
31¾	25⅛	—	Warner Bros. Pictures	4⅝	4½
9⅛	7¼	—	Westinghouse E. & M.	85½	35½
58¾	28⅝	2.40	Woolworth	50⅛	50½
			PREFERRED STOCKS AND BONDS		
54⅞	35	none	American & Foreign Power 7% Pfd.	19¼	19
44⅞	25	5.00	Amer. & For. Power 5% debs. of 2030	51¾	52
59½	25	6.00	American Waterworks $6 preferred	75	75
80	18	5.50	Cities Service Power & Light 5½s/52	44¾	45⅛
48½	34	6.00	Electric Bond & Share $6 preferred	48½	48½
66	35	4.50	Int. Tel. & Tel. conv. 4½s of 1939	67½	67
69¾	91½	5.00	New England Gas & Electric 5s 1947	57	57
65	44¾	6.00	Standard Gas & Elec. 6% notes 1935	92	92

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